

Faith in Action: Climate Litigation to Protect Children and Hold Financial Actors Accountable

World Council of Churches

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Forewords

As we embark on the journey outlined in this handbook, 'Faith in Action: Climate Litigation to Protect Children and Hold Financial Actors Accountable', it is essential to reflect on the critical role that the World Council of Churches (WCC) has played in the climate justice movement since the 1970s. The WCC has been a steadfast advocate at grassroots, regional, and global levels, championing the voices of those most affected by climate change. However, as we analyse the current climate crisis, it becomes increasingly clear that advocacy alone is insufficient. Despite decades of effort, CO2 emissions continue to rise dramatically, driven largely by the relentless expansion of fossil fuel industries.

This situation compels us to recognise that there is no contradiction between utilising legal frameworks and embodying Christian values. In fact, our faith calls us to speak truth to power and to seize every available legal measure to protect our planet and its inhabitants. Scripture reminds us in Proverbs 31:8-9 to 'Speak up for those who cannot speak for themselves, for the rights of all who are destitute. Speak up and judge fairly; defend the rights of the poor and needy'. The urgency of this moment demands that we engage with the law not merely as a tool, but as a moral imperative to safeguard human lives and uphold justice.

It is crucial to emphasise that our actions are not 'against' anyone; rather, they are rooted in a deep commitment to saving lives and preserving the future of our planet. We confront the reality that many decision-makers who continue to finance fossil fuel expansion may be victims of disinformation. This is where the WCC's recent submissions to the International Criminal Court (ICC) become particularly relevant. In December 2023, we urged the Assembly of State Parties to consider legal reforms that address the current impunity surrounding climate disinformation, as highlighted by the UK-based NGO Climate Court. Furthermore, our submission to the ICC's upcoming environmental crimes policy emphasises the need to tackle climate disinformation and its direct link to the ongoing financing of fossil fuels—issues that have garnered attention from major media outlets, including The Guardian.

In this handbook, we provide essential legal tools designed to hold financial actors accountable for their role in perpetuating the climate crisis. As stewards of God's creation, we are called to fulfill our responsibility as stated in Genesis 2:15, where it is written, 'The Lord God took the man (Sic) and put him in the Garden of Eden to work it and take care of it'. It is our hope that these resources will empower individuals and communities to advocate for justice effectively, ensuring that future generations inherit a world that is not only liable but thriving.

Let us stand united in advocacy for climate justice, leveraging our faith and the law to create meaningful change. Together, we can challenge the status quo and work towards a sustainable and just future for all, echoing the call of Micah 6:8: 'He has shown you, O mortal, what is good. And what does the Lord require of you? To act justly and to love mercy and to walk humbly with your God'.

[Signatory 1 to be confirmed]

The climate crisis is one of the most pressing challenges we face today. As Christians, we are tasked with the care of God's creation, a responsibility that goes beyond mere words and into action as highlighted in Romans 8:19-21: 'For the creation waits in eager expectation for the children of God to be revealed. For the creation was subjected to frustration, not by its own choice... in hope that the creation itself will be liberated from its bondage to decay and brought into the freedom and glory of the children of God'. These words call us to action, acknowledging that all of creation longs for the care and fairness that God wants. This is a call for the Church to rise against injustices.

This handbook is a tool for Christians seeking to make a meaningful difference in addressing the injustices driving climate change. It underscores the important function of the law in ensuring in holding accountable those actors, particularly financial actors, whose actions have significant environmental impacts. By doing so, it empowers believers to use legal means to advocate for justice and protection of the ecosystem.

In using this resource, we are reminded that our duty is not only to safeguard creation for ourselves but for future generations. It encourages an eco-centric approach—one that values nature for its intrinsic worth, not merely for its economic benefits. This perspective pushes back against the notion of exploiting resources for individual gain, instead fostering a spirit of stewardship rooted in our faith.

Importantly, this resource also invites us to reflect on our own choices, including the ways our investments and actions impact the environment. It challenges us to realign our investments toward endeavours that support ecological health and sustainability, holding not only others but also ourselves to account.

My hope is that every Christian who reads this handbook will be moved to action, standing firm for justice and aligning with God's call to be stewards of His creation. May our actions reflect our love for the Creator, protecting what He has entrusted to us for the flourishing of all life.

[Signatory 2 to be confirmed]

THE PATH OF JUSTICE.

By [Faith Sebwa](#), age 13

In whispers of ancient, sacred tales,
Where justice walks and truth prevails,
We learn to lift our voices high,
For future worlds, for earth and sky.

Our Bible speaks, with words so clear,
To stand for those we hold so dear.
It tells us to defend the weak,
To use our strength so truth may speak.

Through storms of doubt and winds of fear,
We find the courage to persevere.
With faith in hand, we'll pave the way,
For brighter, kinder, fairer days.

Financial powers, vast and strong,
We call them out when they go wrong.
For with our faith, we fight for right,
A spark against the darkest night.

We're taught soft laws and how to stand,
To speak our truth, to make demands.
And if that fails, we know the call—
To find the courts and give our all.

From gentle talks to bold appeals,
We seek what's just, for wounds to heal.
Together, we'll make justice rise,
And shape a world that never dies.

So, let us walk this path so wide,
With faith as strength and hope as guide.
For we are young, yet fierce and free,
In faith, in love, in unity.

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Executive Summary

Isaiah 1:17 (NIV): ‘Learn to do right; seek justice. Defend the oppressed. Take up the cause of the fatherless; plead the case of the widow.’

- The World Council of Churches (WCC) calls for urgent climate action to safeguard children and future generations, who are disproportionately impacted by climate change.
- This handbook advocates for legal strategies, especially targeting financial institutions, to address climate injustices and deliver hope.

Climate Change and its Impacts on Children and Future Generations

- Children and young people bear the brunt of climate impacts, from physical health risks to developmental and mental health challenges.
- These groups lack political influence, necessitating strategic legal action to protect their rights and future well-being.

How the Law Can Drive Climate Action

- Strategic litigation is a growing, impactful method to confront climate issues, aiming to shift social and corporate behaviour.
- Climate litigation cases have increased globally, particularly targeting financial entities whose investments perpetuate fossil fuel dependence.

Focusing on Financial Actors

- Financial institutions play a central role in either enabling or mitigating climate change due to their substantial investments in, and power over, fossil fuel projects.
- Legal accountability for ‘financed emissions’ could reduce fossil fuel investments and promote cleaner energy alternatives.

Legal Interventions and Risk Profiles

- Climate-related legal interventions vary widely, involving distinct objectives, legal frameworks, and parties, which necessitates careful risk assessment.
- Effective litigation requires balancing the potential for backlash with the likelihood of advancing broad climate objectives.

Emerging Legal Opportunities for Financial Accountability

- New international frameworks and standards, like the Corporate Sustainability Due Diligence Directive (CSDDD) in the EU, mandate climate-aligned transition and prudential plans, offering novel legal avenues for climate litigation.
- Advances in attribution science bolster claims against financial actors by linking specific emissions to climate impacts, providing critical evidence for climate litigation.

Campaigning Alongside Legal Action

- Collaboration between litigation and broader activism campaigns amplifies public discourse and catalyses systemic change in climate awareness and policy.
- The WCC supports faith-based advocacy initiatives, including non-litigious efforts like formal correspondence, to influence financial actors' climate policies.

Conclusion

- The WCC underscores the need for an integrated approach, combining legal action, societal change, and faith-based advocacy to foster a sustainable, just future.
- This holistic strategy is vital not only for addressing climate injustices but also for safeguarding the mental and emotional well-being of young climate advocates.

1. Introduction

Part 1: Key insights

- The World Council of Churches (WCC) stresses the urgent need for climate action to protect children, young people, and future generations most affected by climate change.
- The handbook highlights the role of law in addressing climate injustice, particularly through targeting financial institutions funding fossil fuel extraction.
- Drawing on Christian teachings on stewardship and justice, strategic litigation is presented as a tool to create hope and hold responsible parties accountable.
- Supporting climate litigation aligns with WCC's historical initiatives, empowering faith communities to advocate for a just, equitable future and protect future generations' well-being.

The World Council of Churches (WCC), recognising the growing urgency of climate change, is committed to protecting children, young people, and future generations—those who will be most affected by the environmental and social impacts of climate change. This handbook explores the role of law in addressing the systemic injustices of climate change, with a particular focus on the responsibilities of financial actors.

Climate change is a global crisis driven by human activities, primarily the burning of fossil fuels, which releases vast amounts of greenhouse gases (GHGs) into the atmosphere. These emissions contribute to rising global temperatures, which in turn cause severe environmental damage, from more extreme weather events to the degradation of ecosystems. As the world faces the potential of exceeding 1.5 degrees Celsius of global warming—a threshold identified in the [Paris Agreement](#) as critical for minimising dangerous climate impacts—there is an increasing need for legal action to hold those responsible for climate harms accountable.

Strategic litigation has emerged as a powerful tool in this regard. It allows affected communities, including children and future generations, to seek justice by using legal mechanisms to challenge the policies and actions of governments, corporations, and financial institutions that contribute to climate change. The handbook provides guidance on how to use the law to advocate for climate justice, emphasising the importance of targeting financial actors, whose funding of fossil fuel industries remains a key driver of global emissions.

Furthermore, this handbook highlights the importance of protecting young people involved in climate litigation to ensure that their mental and emotional well-being is safeguarded. It also underscores the importance of intergenerational equity, a principle which emphasises the present generation's responsibility to protect the environment for future generations. As the Bible teaches us, **'[s]tewardship of creation is a command from God' (Genesis 1:26-28)**. That concept of stewardship is echoed elsewhere in the Bible:

Isaiah 58:6: 'Is not this the kind of fasting I have chosen: to loose the chains of injustice and untie the cords of the yoke, to set the oppressed free and break every yoke?'

This verse reflects the call to action against injustice through stewardship—humanity's responsibility to care for creation, as outlined in Genesis 2:15, where humans are called to 'work' and 'take care of' the Earth. The legal mechanisms emphasised in the handbook represent a modern application of this biblical principle, ensuring that those who exploit the Earth are held accountable for their actions.

For the WCC, this emphasis on litigation is a development which is consistent with, and informed by, the WCC's existing and historical climate justice interventions. As the handbook explains, supporting climate litigation is morally justifiable and consistent with Christian values and biblical teachings. Moreover, the handbook demonstrates that such litigation is imperative for climate justice, particularly for the most vulnerable. In combination with other interventions such as advocacy, litigation can empower faith communities and civil society to take meaningful action to address the climate crisis and protect the rights of children and future generations. Accordingly, climate litigation offers much needed hope, hope for a more liveable, equitable and just planet.

2. Climate change and its impacts on children and future generations

Part 2: Key insights

- Human activities, especially fossil fuel burning, drive climate change by increasing greenhouse gas emissions, leading to severe environmental impacts.
- Current warming trends risk exceeding Paris Agreement thresholds, potentially causing irreversible damage.
- Children and future generations, particularly vulnerable to climate impacts, face health risks, anxiety, and developmental harm but lack political influence to shape policies.
- Recognising the need to transition away from fossil fuels, strategic climate litigation is vital for protecting the rights of young people and future generations.

Climate change is a long-term change in average weather patterns.¹ A significant driver of climate change is human activities, especially the burning of fossil fuels,² which increase heat-trapping greenhouse gases (GHGs) in the Earth's atmosphere and, in turn, increases the average surface temperature of the Earth.³ In terms of their respective contributions to global warming, the most significant greenhouse gases are carbon dioxide and methane.⁴

The Intergovernmental Panel on Climate Change has stated that '[h]uman activities, principally through emissions of GHGs, have unequivocally caused global warming' with global surface temperatures increasing 1.1 degrees Celsius above 1850-1900 levels in 2011-2020.⁵ Within the next five years, the global average surface temperature is expected to exceed 1.5 degrees above 1850-1900 levels.⁶ If that occurs, the world will have failed to 'limit the temperature increase to 1.5°C' as set out in the [Paris Agreement](#) and will likely struggle to hold global average temperature to 'well below' 2 degrees of warming.⁷

¹ NASA, 'What Is Climate Change?', NASA, 2024, <https://science.nasa.gov/climate-change/what-is-climate-change/>. ('NASA, 'What is Climate Change').

² 'Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change', First (Geneva: Intergovernmental Panel on Climate Change (IPCC), 25 July 2023), 4, <https://doi.org/10.59327/IPCC/AR6-9789291691647>. ('IPCC, 2023').

³ NASA, 'What Is Climate Change?'

⁴ 'IPCC, 2023', 4. [See here](#) for a brief video which explains the basic science of climate change.

⁵ 'IPCC, 2023', 4.

⁶ World Meteorological Organization, 'WMO Global Annual to Decadal Climate Update', Global Annual to Decadal Climate Update (World Meteorological Organization, 2024), https://library.wmo.int/viewer/68910/download?file=WMO_GADCU_2024-2028_en.pdf&type=pdf&navigator=1.

⁷ United Nations, 'Paris Agreement' (United Nations, 2015), art. 2(1)(a), https://unfccc.int/sites/default/files/english_paris_agreement.pdf.

Fossil fuels, such as coal, oil and gas, are responsible for more than 75% of GHG emissions and approximately 90% of carbon dioxide emissions.⁸ Consequently, climate change is a problem driven by the exploitation of fossil fuels. Relevantly, in December 2023 at COP28 in the United Arab Emirates, the global community collectively recognised the need to transition ‘away from fossil fuels in energy systems’ so as to achieve net zero emissions by 2050.⁹ Despite that recognition, fossil fuels still make up over 80% of the global energy mix.¹⁰ Based on the current policies and pledges of governments, climate scientists project that the world will warm about 2.7 degrees Celsius by 2100.¹¹ Recent research suggests that if that trajectory is followed, by 2030 around two billion people will face average temperatures of 29 degrees Celsius or higher.¹² As global average temperatures increase, so too will the risks of species extinction and irreversible losses of biodiversity in ecosystems such as forests and coral reefs.¹³

Concerningly, the likelihood and impacts of abrupt and/or irreversible changes to the climate system, otherwise known as ‘tipping points’, only increase with further global warming.¹⁴ For example, increasing temperatures may lead to the melting of permafrost across the Arctic, releasing large quantities of previously stored methane and carbon dioxide.¹⁵ Similarly, the collapse of the Atlantic Ocean’s great overturning circulation, combined with global warming, could cause half of the global area for growing wheat and maize to be lost.¹⁶ Therefore, the extent to which the global average temperature ‘overshoots’ 1.5 degrees is correlated with a greater risk of several tipping points being reached.¹⁷ Accordingly, climate change science demonstrates that significantly reducing emissions in the short-term lessens the risk of runaway climate change caused by the triggering of tipping points. Notably, doing so would also be less expensive than following a business-as-usual GHG emissions trajectory due to the enormous projected costs of climate change under a business-as-usual GHG emissions scenario.¹⁸

2.1 GHG emissions worsen climate change and harm children and future generations

Caring for the well-being of others, especially children, is central in religious teachings. In Matthew 18: 6, Jesus explains the importance of protecting children and warns against causing them harm. However, climate change is already causing harm to children all over the world. And, because climate change will be most dire in the future, children and future generations will suffer most. As a result, they are the

⁸ United Nations, ‘Causes and Effects of Climate Change’, United Nations (United Nations, 2024), <https://www.un.org/en/climatechange/science/causes-effects-climate-change>; Frederique Seidel and Jodie Salter, ‘Responsible Banking Survival Guide’ (World Council of Churches, 2024), <https://oikoumene.org/resources/publications/save-childrens-lives>.

⁹ UNFCCC, ‘Outcome of the First Global Stocktake’, Draft Decision (United Arab Emirates: UNFCCC, 13 December 2023), para. 28(d), https://unfccc.int/sites/default/files/resource/cma2023_L17_adv.pdf.

¹⁰ Energy Institute, ‘Statistical Review of World Energy’ (Energy Institute, 2024), 4, <https://www.energyinst.org/statistical-review>.

¹¹ Climate Action Tracker, ‘Temperatures’, Climate Action Tracker, 2024, <https://climateactiontracker.org/global/temperatures/>.

¹² Timothy M. Lenton et al., ‘Quantifying the Human Cost of Global Warming’, *Nature Sustainability* 6, no. 10 (October 2023): 1237–47, <https://doi.org/10.1038/s41893-023-01132-6>.

¹³ ‘IPCC, 2023’, 18.

¹⁴ ‘IPCC, 2023’, 18; Nico Wunderling et al., ‘Global Warming Overshoots Increase Risks of Climate Tipping Cascades in a Network Model’, *Nature Climate Change* 13, no. 1 (January 2023): 75–82, <https://doi.org/10.1038/s41558-022-01545-9>.

¹⁵ Timothy M. Lenton et al., ‘Climate Tipping Points — Too Risky to Bet Against’, *Nature* 575, no. 7784 (November 2019): 592–95, <https://doi.org/10.1038/d41586-019-03595-0>.

¹⁶ Timothy M. Lenton, ‘Global Tipping Points Report: Summary’ (University of Exeter, 2023), 3.

¹⁷ Wunderling et al., ‘Global Warming Overshoots Increase Risks of Climate Tipping Cascades in a Network Model’.

¹⁸ Maximilian Kotz, Anders Levermann, and Leonie Wenz, ‘The Economic Commitment of Climate Change’, *Nature* 628, no. 8008 (April 2024): 551–57, <https://doi.org/10.1038/s41586-024-07219-0>; Paul Waidelich et al., ‘Climate Damage Projections Beyond Annual Temperature’, *Nature Climate Change*, 17 April 2024, 1–8, <https://doi.org/10.1038/s41558-024-01990-8>.

groups most vulnerable to the decisions made now about how society contributes and responds to climate change.¹⁹ For example, the World Health Organization has estimated that children will suffer more than 80% of the illnesses, injuries and deaths attributable to climate change.²⁰ In part, this is due to their physiology making them more vulnerable to extreme heat, drought and natural disasters.²¹ Even now, children and young people are disproportionately harmed by climate change through conditions such as climate anxiety,²² as well as other negative impacts upon their physical and mental development.²³ Moreover, research has found that children are also more susceptible to indirect effects of climate change, such as food shortages, intergroup conflict, economic dislocation and migration.²⁴ Indeed, a recent General Comment by the United Nations Committee on the Rights of the Child identified the many ways in which climate change impacts the rights of children, including their rights to non-discrimination, life, survival, development and health.²⁵

Despite their cumulative vulnerabilities to climate change and its consequences, children and future generations have traditionally lacked political power to influence society's response to climate change.²⁶ As a result, and due to the inevitable impacts upon the enjoyment of their legal rights, strategic climate change litigation can be used to protect children and future generations.

3. How can the law be used to drive action on climate change for the benefit of children and future generations?

Part 3: Key insights

- Strategic litigation can create systemic change well beyond the scope of a particular case, particularly when paired with effective campaigning strategies.
- Climate litigation is a rapidly growing trend and is an impactful way of addressing the climate crisis, in particular through cases designed to challenge the flow of finance to projects and activities preventing climate action.
- Children and young people have been plaintiffs in over 70 climate cases, many of which rely on the principle of intergenerational equity.
- Youth-led climate litigation has risks and opportunities. Children, young people and future generations face procedural issues of standing and do not have the same legal rights as adults to participate in litigation.
- It is therefore important to approach litigation involving children and young people with an ethic of care, in line with established frameworks for protecting their rights and interests.

²¹ Sanson and Burke, 345.

²² Caroline Hickman et al., 'Climate Anxiety in Children and Young People and Their Beliefs About Government Responses to Climate Change: A Global Survey', *The Lancet Planetary Health* 5, no. 12 (1 December 2021): e863–73, [https://doi.org/10.1016/S2542-5196\(21\)00278-3](https://doi.org/10.1016/S2542-5196(21)00278-3).

²³ Elizabeth Donger, 'Children and Youth in Strategic Climate Litigation: Advancing Rights through Legal Argument and Legal Mobilization', *Transnational Environmental Law* 11, no. 2 (July 2022): 263–89, <https://doi.org/10.1017/S2047102522000218>.

²⁴ Sanson and Burke, 'Climate Change and Children', 345.

²⁵ United Nations Committee on the Rights of the Child, 'General Comment No. 26 on Children's Rights and the Environment with a Special Focus on Climate Change' (United Nations Committee on the Rights of the Child, 2023), https://www.ohchr.org/sites/default/files/documents/hrbodies/crc/gcomments/gc26/2023/GC26-Child-Friendly-Version_English.pdf.

²⁶ See eg, Louis J Kotzé and Henrike Knappe, 'Youth Movements, Intergenerational Justice, and Climate Litigation in the Deep Time Context of the Anthropocene', *Environmental Research Communications* 5, no. 2 (1 February 2023): 025001, <https://doi.org/10.1088/2515-7620/acaa21>.

3.1 Strategic litigation

Legally, litigation is defined as the ‘pursuance or defence of contested civil or criminal proceedings’.²⁷ Put differently, it is the process of taking legal action. Most parties to litigation view it as a means to resolve a specific legal dispute and attain a particular remedy. For example, a party may seek to recover payment for goods which have been delivered but yet not paid for, or to prevent a neighbour from polluting their land. Theologically, litigation, and particularly climate litigation, can be understood as part of God’s redemption plan for creation. Relevantly, Romans 8:19-21 speaks of creation early awaiting liberation from decay and destruction.

Notably, some litigation is more ‘strategic’ in nature. Strategic litigation is litigation which is brought with the ambition of creating change which is broader than the plaintiff’s direct interests and beyond the judicial remedies available to them.²⁸ For example, strategic litigation may seek to create specific changes in corporate behaviour at an industry-level or change societal norms or perceptions.²⁹ Social movements have long used litigation as a means to catalyse societal change and address injustices. For example, strategic litigation has been used to address racial discrimination, gender pay inequity and the use of tobacco products.³⁰ Drawing on these past successes, individuals (including children),³¹ community organisations and non-government organisations have used litigation to enhance mitigation and adaptation efforts in response to climate change since the 1980s.³² More specifically, strategic climate litigation has sought, among other objectives, to re-frame issues related to climate change, generate political pressure and encourage greater social mobilisation.³³ Consequently, strategic litigation offers a mechanism through which the rights of children and future generations can be protected from the harms of climate change and will only become more important as climate change worsens.³⁴

²⁷ Percy George Osborn, *Osborn’s Concise Law Dictionary*, ed. M. G. Woodley, Twelfth edition (London: Sweet & Maxwell, 2013).

²⁸ Ben Batros and Tessa Khan, ‘Thinking Strategically about Climate Litigation’, in *Litigating the Climate Emergency*, ed. César Rodríguez-Garavito, 1st ed. (Cambridge University Press, 2022), 104, <https://doi.org/10.1017/9781009106214.006>.

²⁹ Batros and Khan, 104.

³⁰ Gerald Rosenberg, ‘The Hollow Hope: Can Courts Bring About Social Change?’, Third edition (Chicago: University of Chicago Press, 2023); Michael McCann, ‘Causal versus Constitutive Explanations (or, On the Difficulty of Being so Positive) Review Section Symposium: Gauging the Impact of Law’, *Law and Social Inquiry* 21, no. 2 (1996): 457–82; Sarah L. Steele et al., ‘The Role of Public Law-Based Litigation in Tobacco Companies’ Strategies in High-Income, FCTC Ratifying Countries, 2004–14’, *Journal of Public Health* 38, no. 3 (17 September 2016): 516–21, <https://doi.org/10.1093/pubmed/fdv068>.

³¹ Donger, ‘Children and Youth in Strategic Climate Litigation’; Parker et al., ‘When the Kids Put Climate Change on Trial’.

³² Joana Setzer and Catherine Higham, ‘Global Trends in Climate Change Litigation: 2021 Snapshot’ (Grantham Research Institute on Climate Change and the Environment, 2021), https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2021/07/Global-trends-in-climate-change-litigation_2021-snapshot.pdf; Lisa Vanhala, ‘The Social and Political Life of Climate Change Litigation: Mobilizing the Law to Address the Climate Crisis’, in *Litigating the Climate Emergency*, ed. César Rodríguez-Garavito, 1st ed. (Cambridge University Press, 2022), 84–94, <https://doi.org/10.1017/9781009106214.004>.

³³ Jolene Lin and Jacqueline Peel, ‘Assessing the Impact of Global South Climate Litigation’, in *Litigating Climate Change in the Global South*, ed. Jolene Lin and Jacqueline Peel (Oxford University Press, 2024), 211, <https://doi.org/10.1093/9780191926525.003.0006>.

³⁴ Donger, ‘Children and Youth in Strategic Climate Litigation’.

3.2 Law reform

A common, and sometimes sole, objective of strategic litigation is to change the law.³⁵ That can be direct, for example through the creation or amendment of a precedent by a court as a result of the litigation. It can also be indirect, for example through the case bolstering a social movement which puts pressure on the legislature to pass or amend legislation.³⁶ New legislation can then form the basis of further strategic litigation. Accordingly, law reform and litigation can be complementary strategies in the pursuit of action on climate change. The recent enactment of significant climate legislation in the US state of Vermont, known as the '[Climate Superfund Act](#)',³⁷ demonstrates the power of law reform in the context of climate change action. The Act will require responsible parties, namely fossil fuel companies, to provide compensatory payments for the climate change harms they have contributed to through their operations. At the time of writing, legislators in the states of New York, California, Maryland and Massachusetts have proposed similar legislation to Vermont's Climate Superfund Act. However, one of the benefits of strategic litigation is that it can be pursued in the absence of law reform efforts, and as such there are many legal avenues which can be used now to promote action on climate change. In Parts 5 and 6, this handbook explores a variety of these legal avenues.

³⁵ Michael Ramsden and Kris Gledhill, 'Defining Strategic Litigation', *Civil Justice Quarterly* 38, no. 4 (2019): 414.

³⁶ Hari M. Osofsky and Jacqueline Peel, eds., 'Model for Understanding Litigation's Regulatory Impact', in *Climate Change Litigation: Regulatory Pathways to Cleaner Energy*, Cambridge Studies in International and Comparative Law (Cambridge: Cambridge University Press, 2015), 28–53, <https://doi.org/10.1017/CBO9781139565851.003>.

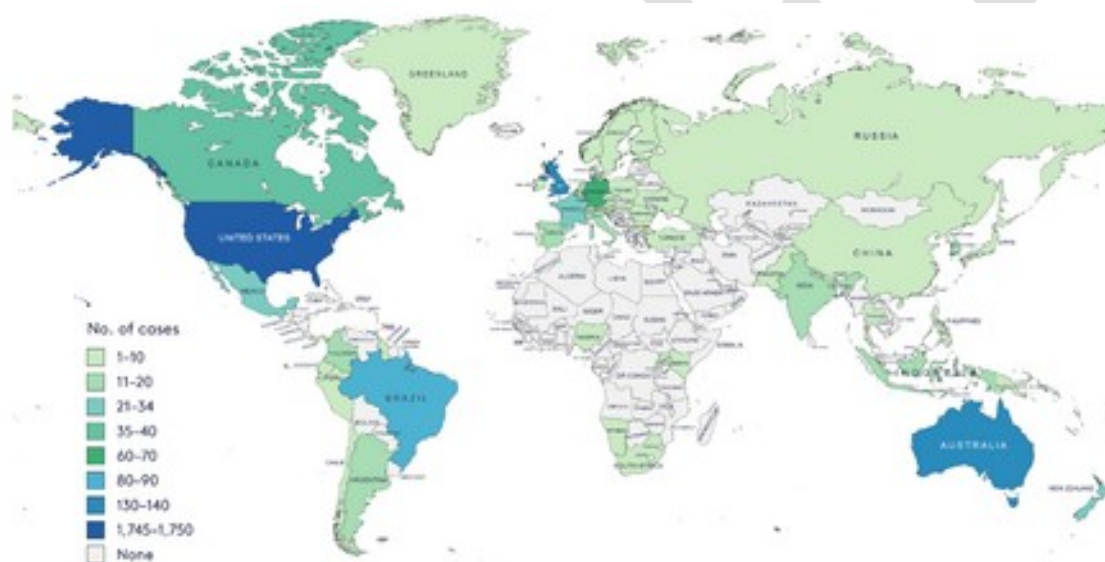
³⁷ Sidley, 'Vermont and New York Climate Acts Are First in a Wave of Likely Climate Change Cost Recovery Laws', Sidley, 20 June 2024, <https://www.sidley.com/en/insights/newsupdates/2024/06/vermont-and-new-york-climate-acts-are-first-in-a-wave-of-likely-climate-change-cost-recovery-laws>.

3.3 Strategic climate litigation and the protection of children and future generations

Definition and overview of climate litigation

The definition of ‘climate litigation’ is not settled,³⁸ though the most common definition is that climate litigation consists of cases brought before judicial and quasi-judicial bodies that involve material issues of climate change science, policy or law.³⁹ There have been over 2,600 climate cases filed since the 1980s and around 70% of these were filed after 2015, the year the [Paris Agreement](#) was adopted.⁴⁰ Historically, most cases were filed by individuals and civil society groups.⁴¹ That trend has continued – in 2023 more than 70% of climate cases filed involved individuals, civil society organisations, or both, as plaintiffs.⁴² These cases have historically focused on the accountability of governments, though strategic climate litigation is increasingly focusing on the obligations of companies.⁴³ The call for accountability of these actors, including financial actors, resonates with the biblical concept of justice: James 4: 7 ‘[a]nyone, then who knows the good he ought to do, and doesn’t do it, sins.’ As such, underpinning the legal obligation of governments and companies to respond to climate change is a moral obligation to act in ways that support sustainability and the common.

The United States is the jurisdiction with the highest number of documented climate cases, with 1,745 cases in total, and 129 new cases filed in 2023.⁴⁴ The figure below, extracted from Setzer and Higham’s ‘[Global trends in climate change litigation: 2024 snapshot](#)’,⁴⁵ shows the number of climate cases that



have been filed in each jurisdiction as of June 2024.

³⁸ Kate McKenzie et al., ‘Climate Change Litigation: One Definition to Rule Them All...?’, in *Research Handbook on Climate Change Litigation* (Edward Elgar Publishing, 2024), 1–16, <https://www-elgaronline-com.ezproxy-prd.bodleian.ox.ac.uk/edcollchap/book/9781800889781/book-part-9781800889781-6.xml>.

³⁹ Joana Setzer and Catherine Higham, ‘Global Trends in Climate Change Litigation: 2024 Snapshot’ (Grantham Research Institute on Climate Change and the Environment, 2024), 7, <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2024/06/Global-trends-in-climate-change-litigation-2024-snapshot.pdf>.

⁴⁰ Setzer and Higham, 2.

⁴¹ Setzer and Higham, 18.

⁴² Setzer and Higham, 18.

⁴³ Joana Setzer and Catherine Higham, ‘Global Trends in Climate Change Litigation: 2023 Snapshot’ (Grantham Research Institute on Climate Change and the Environment, 2023), 3, https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2023/06/Global_trends_in_climate_change_litigation_2023_snapshot.pdf.

⁴⁴ Setzer and Higham, ‘Global Trends in Climate Change Litigation: 2024 Snapshot’, 2.

⁴⁵ Setzer and Higham, 11.

Despite the large volume of climate cases filed to date, it is difficult to describe the systemic impacts of climate litigation with precision, particularly over the long term.⁴⁶ Given that climate litigation is a relatively recent phenomenon when compared with other areas of law, research is under way to conceptualise and measure the impacts of climate litigation to allow future cases to become more strategic, efficient and effective.

An example of a potentially impactful type of climate litigation is ‘turning off the taps’ cases.⁴⁷ These cases seek to challenge the flow of finance to projects and activities that are not aligned with climate action.⁴⁸ This is a significant issue, as the continued financing of fossil fuel projects and firms is slowing the energy transition and worsening climate change.⁴⁹ Notably, banks have provided approximately [7 trillion USD to fossil fuel firms](#) following the [Paris Agreement](#) in 2015.⁵⁰ Partly in response to this outpouring of capital from the financial sector into the fossil fuel sector, 33 ‘turning of the taps cases’ have been filed since 2015, with six filed in 2023.⁵¹

Intergenerational equity as a keystone concept in climate litigation

‘Intergenerational solidarity is not optional, but rather a basic question of justice, since the world we have received also belongs to those who will follow us.’—Pope Francis

Intergenerational equity concerns the responsibility of the present generation to manage natural resources and the environment in a way that does not compromise the ability of future generations to meet their needs.⁵² It is a concept rooted in international law and the notions of sustainability and long-term environmental stewardship. For example, article 3(1) of the [United Nations Framework Convention on Climate Change \(UNFCCC\)](#) states that the Parties to the UNFCCC should ‘protect the climate system for the benefit of present and future generations of humankind’.⁵³ Similarly, the preamble of the [Paris Agreement](#) acknowledges that Parties to the Agreement should, when taking action to address climate change, respect, promote and consider their obligations with respect to intergenerational equity.⁵⁴ This was then reflected in the 2019 [Intergovernmental Declaration on Children, Youth and Climate Action](#) which was signed at COP25 in Madrid.⁵⁵

Child claimants are particularly well-placed to make legal claims about intergenerational equity given their evident ‘moral authority’ on the issue.⁵⁶ While research suggests that such arguments have not yet been used to their full potential in climate litigation,⁵⁷ intergenerational equity arguments have been ‘highly effective’ in a significant number of cases to date.⁵⁸

⁴⁶ Lin and Peel, ‘Assessing the Impact of Global South Climate Litigation’; Joana Setzer, Nicola Silbert, and Lisa Vanhala, ‘The Effectiveness of Climate Change Litigation’, in *Research Handbook on Climate Change Litigation*, ed. Francesco Sindico et al. (Edward Elgar Publishing, 2024), 245–62, <https://doi.org/10.4337/9781800889781.00019>.

⁴⁷ Setzer and Higham, ‘Global Trends in Climate Change Litigation: 2024 Snapshot’, 25.

⁴⁸ Setzer and Higham, 25.

⁴⁹ BankTrack, ‘Banking on Climate Chaos’ (BankTrack, 2024), <https://www.bankingonclimatechaos.org/?bank=JPMorgan%20Chase#fulldata-panel>.

⁵⁰ BankTrack.

⁵¹ Setzer and Higham, ‘Global Trends in Climate Change Litigation: 2024 Snapshot’, 25.

⁵² Edith Brown Weiss, ‘Intergenerational Equity’, in *Max Planck Encyclopedias of International Law*, 2021, <https://opil-ouplaw-com.ezproxy-prd.bodleian.ox.ac.uk/display/10.1093/law:epil/9780199231690/law-9780199231690-e1421>.

⁵³ UNFCCC, ‘United Nations Framework Convention on Climate Change’ (1992), <https://unfccc.int/resource/docs/convkp/conveng.pdf>.

⁵⁴ United Nations, ‘Paris Agreement’.

⁵⁵ UNICEF, ‘Intergovernmental Declaration on Children, Youth and Climate Action’ (2019), <https://www.unicef.org/media/124221/file/Annex:%20Declaration%20on%20Children>.

⁵⁶ Donger, ‘Children and Youth in Strategic Climate Litigation’, 281.

⁵⁷ Donger, ‘Children and Youth in Strategic Climate Litigation’.

⁵⁸ Donger, 285.

Leading examples of climate cases involving young people

Children and young people have been key plaintiffs in many strategic climate cases across the world.⁵⁹ At the time of writing, approximately 70 climate cases listed in the Sabin Center Climate Change Litigation database involve, or have involved, youth claimants. Broadly, these cases fall into three categories based on their particular focus:⁶⁰ (1) insufficient efforts to reduce carbon emissions and meet climate commitments; (2) insufficient efforts to implement mitigation and adaptation measures; and (3) specific regulatory approvals that are expected to have dramatic climate impacts.

Significant victories in youth-led climate litigation include the Colombian case of [*Future Generations v Ministry of Environment*](#) and the US case of [*Held v Montana*](#).

[*Future Generations v Ministry of Environment*](#) was a ground-breaking case in Colombia where a group of 25 young plaintiffs sued the government for failing to curb deforestation in the Amazon, which they argued violated their constitutional rights to a healthy environment. The plaintiffs contended that the government's inaction on deforestation contributed to climate change, threatening their future and the rights of future generations. In April 2018, Colombia's Supreme Court ruled in favour of the plaintiffs, declaring that the Amazon was a 'subject of rights' and ordering the government to create and implement action plans to reduce deforestation. This case was significant for recognising the legal rights of nature and future generations in the context of climate change.

[*Held v Montana*](#) was a landmark legal case in which a group of 16 young plaintiffs sued the state of Montana, arguing that its promotion of fossil fuels violated their constitutional rights to a clean and healthful environment. The plaintiffs claimed that the state's energy policies exacerbated climate change, endangering their future. In August 2023, a Montana court ruled in favour of the youth, recognising that the state's actions contributed to climate change and thus violated their rights under the Montana Constitution. This case marked the first time a US court ruled that a government had a constitutional obligation to protect citizens from climate change.

These youth-led climate litigation efforts have been supported by a number of organisations dedicated to climate justice for children and young people. For example, in the United States [Our Children's Trust](#) have supported many groups of children and young people to bring climate litigation, including the case of [*Held v Montana*](#), to protect their right to a stable climate and have their voices heard.

Since the 1970s, the WCC has similarly been a key player in climate justice movements at grassroots, regional, and global levels. In 2015, the WCC partnered with UNICEF to develop the [Churches' Commitments to Children](#). One key pillar of that programme focuses on climate justice efforts for and with children and adolescents. The WCC has also co-organised discussions with legal experts regarding the protection of children's rights through climate litigation.⁶¹ Additionally, the WCC has spearheaded campaigns⁶² on climate-responsible banking, mapped research on the impacts of climate change on children's physical and psychological wellbeing and advocated for the recognition of climate destruction as a form of violence against children, in global partnership strategies.

It is important to note that supporting children to participate in strategic litigation can present risks. Children's participation in strategic litigation can pose a risk to their mental health and may risk traumatising or re-traumatising children through the re-enactment and evidencing of climate harms.⁶³

⁵⁹ Parker et al., 'When the Kids Put Climate Change on Trial'; Donger, 'Children and Youth in Strategic Climate Litigation'.

⁶⁰ Parker et al., 'When the Kids Put Climate Change on Trial'.

⁶¹ World Council of Churches, 'Roundtable Advances Children's Rights in Climate Litigation', World Council of Churches, 2024, <https://oikoumene.org/news/roundtable-advances-childrens-rights-in-climate-litigation>.

⁶² World Council of Churches, 'Climate Responsible Finance – a Moral Imperative towards Children', World Council of Churches, 2024, <https://oikoumene.org/resources/documents/climate-responsible-finance-a-moral-imperative-towards-children>.

⁶³ Aoife Nolan, Ann Skelton, and Karabo Ozah, 'Advancing Child Rights-Consistent Strategic Litigation Practice' (Advancing Child Rights Strategic Litigation, 2022), 70.

Awareness and mitigation of these risks is a critical component of ethical mobilisation and legal work.⁶⁴ Even without involving themselves in climate litigation, young people across the planet experience high levels of anxiety about climate change.⁶⁵ Research co-produced by the WCC has made similar findings, observing that climate change is ‘a form of structural violence against current and future generations’.⁶⁶ Yet by participating in a process where their feelings and views are heard, respected and acted upon by people in positions of power, children’s involvement in climate litigation has the potential to reduce and protect against climate anxiety.⁶⁷ Accordingly, the impacts of climate litigation upon child participants are highly context specific, justifying a precautionary approach and an ethic of care.

Children and future generations face issues of standing

In any legal case, the person or group bringing the case must show that they are legally entitled to bring it. In many jurisdictions, this entitlement is called ‘standing’. Standing requirements differ across jurisdictions, with some jurisdictions, such as those in the United States, taking a strict approach to determining who is entitled to bring a case.

As a claimant, establishing standing in the context of climate litigation can be difficult. For instance, it can be challenging for a claimant to show that they have a sufficient interest in the issue or have suffered (or will suffer) harm due to the action or omission which is the focus of litigation. The legal requirement of standing often poses a particular obstacle to young people and future generations in the context of climate litigation.⁶⁸ For example, several youth-led climate cases have been dismissed on the basis that the plaintiffs were unable to sufficiently demonstrate that they had suffered injury or were likely to.⁶⁹

Future generations are particularly impacted by standing rules, as laws tend to not recognise unborn people as rights-holders capable of being involved in litigation. Though in some instances, such as a recent suit filed alleging the Korean government breached its climate obligations, unborn people have been considered plaintiffs.⁷⁰ Nonetheless, in many jurisdictions whether future generations can be said to have standing in climate cases is a matter of ongoing legal contestation.⁷¹ To avoid this problem, climate litigation has often involved young children who, by nature of their age, are anticipated to suffer similar harms to future generations as a result of climate change.⁷² However, harms to children are no less important than harms to adults. As all human beings are created in the image of God (Imago Dei), all humans have inherent dignity and worth.

⁶⁴ See, ‘Protecting children involved in climate litigation’ below.

⁶⁵ Hickman et al., ‘Climate Anxiety in Children and Young People and Their Beliefs About Government Responses to Climate Change’.

⁶⁶ Jorge Cuartas et al., ‘The Climate Crisis and Violence Against Children’, *The Lancet Child & Adolescent Health* 7, no. 9 (1 September 2023): 605, [https://doi.org/10.1016/S2352-4642\(23\)00137-2](https://doi.org/10.1016/S2352-4642(23)00137-2).

⁶⁷ Hickman et al., ‘Climate Anxiety in Children and Young People and Their Beliefs About Government Responses to Climate Change’, 871.

⁶⁸ Parker et al., ‘When the Kids Put Climate Change on Trial’.

⁶⁹ Parker et al., 86.

⁷⁰ Carissa Wong, ‘Why Babies in South Korea Are Suing the Government’, *Nature*, 20 May 2024, <https://doi.org/10.1038/d41586-024-01457-y>; for a discussion of the Supreme Court’s judgment, see Choe Sang-Hun, ‘Court Orders South Korea to Take Stronger Action on Climate Change’, *The New York Times*, 29 August 2024, <https://www.nytimes.com/2024/08/29/world/asia/south-korea-climate-action-verdict-youth.html>.

⁷¹ Katalin Sulyok, ‘Transforming the Rule of Law in Environmental and Climate Litigation: Prohibiting the Arbitrary Treatment of Future Generations’, *Transnational Environmental Law*, 24 May 2024, 1–27, <https://doi.org/10.1017/S2047102524000116>; Katharina Neumann, ‘From the Streets to the Courtroom: The Potential of an Intergenerational Justice Doctrine as a Key for Successful Judiciary Climate Activism’, *Oxford University Undergraduate Law Journal* XI (2022): 27.

⁷² Donger, ‘Children and Youth in Strategic Climate Litigation’, 273; see, for example, Neubauer et al v Germany, No. BvR 288/20 (German Constitutional Court 29 April 2021).

Litigation guardians can facilitate young people to bring claims

In some situations, children will be able to be plaintiffs only where they have a litigation guardian. For example, in the case of *Sharma v Minister for the Environment* the youth plaintiffs were represented by their litigation guardian, [Sister Marie Brigid Arthur](#).⁷³ That case regarded whether the Australian Environment Minister owed a duty of care to consider the welfare of Australian children when deciding whether or not to approve an application for a coal mine. The children were successful at first instance, but ultimately lost on appeal to the Full Federal Court of Australia. Nonetheless, the case demonstrated the utility of youth-led strategic climate litigation and the facilitative role which litigation guardians can perform to support children and the protection of their legal rights.

Protecting children involved in climate litigation

Proverbs 31: 8-9 ‘Speak for those who cannot speak’.

Advocating for the interests of those unable to advocate for themselves, including children, can be an act of love and faith. Relevantly, the pursuit of legal strategies to assist those unable to assist themselves can be one form of such advocacy. However, in seeking to protect children from the worst impacts of climate change, it is necessary to take a precautionary approach to their involvement in litigation to minimise the risk that they are in any way negatively impacted by the process.⁷⁴ That is especially so in recognition of the potential consequences for children’s mental health as a result of participating in litigation.

Key principles in this regard have been established by the Advancing Child Rights Strategic Litigation global research project.⁷⁵ That three-year project explored ways in which litigation has been used to support children’s rights and developed a model of strategic litigation that respects children’s rights.⁷⁶ Those key principles include ensuring that the legal work is always in the children’s best interests, that children are engaged in agenda-setting and characterisation of the case and that children are supported to call a halt to litigation at any point that they wish to.⁷⁷ Subsequent to litigation, it is necessary to provide ongoing support to children involved, inform them of subsequent developments and to invite them to be involved in follow-up activities to judgements, rulings and decisions.⁷⁸

⁷³ Bromberg J, *Sharma by her litigation representative Arthur and Others v Minister for the Environment and Another*, 248 LGERA 330 (Federal Court of Australia 2021).

⁷⁴ Donger, ‘Children and Youth in Strategic Climate Litigation’.

⁷⁵ Advancing Child Rights Strategic Litigation, ‘Key Principles for Child Rights-Consistent Child Rights Strategic Litigation Practice’ (Advancing Child Rights Strategic Litigation, 2022), <https://www.acrisl.org/resources>; Nolan, Skelton, and Ozah, ‘Advancing Child Rights-Consistent Strategic Litigation Practice’.

⁷⁶ Advancing Child Rights Strategic Litigation, ‘Advancing Child Rights Strategic Litigation’, About Our Project, 2024, <https://www.acrisl.org>.

⁷⁷ Advancing Child Rights Strategic Litigation, ‘Key Principles for Child Rights-Consistent Child Rights Strategic Litigation Practice’, 1–2.

⁷⁸ Advancing Child Rights Strategic Litigation, 3.

4. The strategic importance of climate litigation focusing on financial actors

Part 4: Key insights

- Strategic climate litigation targeting financial actors can reduce finance flows to fossil fuel companies, leading to a reduction in fossil fuel extraction and consumption and declining GHG emissions.
- Climate litigation which holds financial actors accountable can be a circuit-breaker, securing binding outcomes not currently achieved by voluntary emission reduction initiatives.
- Successful climate litigation targeting financial actors has the potential to drive systemic change in the highly interconnected financial system, thereby disrupting a vast number of fossil fuel firms.
- Litigation targeting financial actors is an emerging field within climate litigation, presenting as-yet unrealised legal opportunities for climate accountability.
- Identifying financial actors' 'financed emissions' is a helpful method of understanding their contribution to climate change and developing climate litigation targets.

4.1 Theory of change behind litigation targeting financial actors

Strategic climate litigation, like all forms of strategic litigation, is more effective when it is founded in a theory of change.⁷⁹ A theory of change is a descriptive theory about how a specific intervention, or set of interventions, is expected to create a specific change based on evidence. In this part, we explain the theory of change used in this handbook and the importance of using strategic climate litigation to hold financial actors accountable. For the purposes of this handbook, the broad theory of change is that strategic climate litigation can reduce the extent to which financial actors finance fossil fuel companies. If that occurs, net fossil fuel extraction and consumption will decrease and global GHG emissions will decline, reducing the harms that climate change will cause to people in the near and distant future.

This theory of change recognises, as explained in Part 2, that climate change is primarily a problem of fossil fuels. As explained in the Part 5 below, strategic climate litigation can be used to reduce the extent to which financial actors finance fossil fuel companies. If that occurs, fossil fuels are likely to become less price-competitive with renewable energy technologies and lose market share.⁸⁰ Such changes would reduce the value of fossil fuel assets and firms, only increasing the pace of the energy transition and progress towards net zero.⁸¹

This theory of change, which focuses primarily on financial actors, is important for three key reasons.

First, in the absence of climate litigation, financial actors are likely to continue on a business-as-usual basis. To date, financial actors have made many voluntary commitments to 'align' their activities with

⁷⁹ Batros and Khan, 'Thinking Strategically about Climate Litigation', 109.

⁸⁰ Penny Mealy et al., 'Sensitive Intervention Points: A Strategic Approach to Climate Action', *Oxford Review of Economic Policy* 39, no. 4 (1 November 2023): 697, <https://doi.org/10.1093/oxrep/grad043>.

⁸¹ T. A. Hansen, 'Stranded Assets and Reduced Profits: Analyzing the Economic Underpinnings of the Fossil Fuel Industry's Resistance to Climate Stabilization', *Renewable and Sustainable Energy Reviews* 158 (1 April 2022): 112144, <https://doi.org/10.1016/j.rser.2022.112144>.

sustainability goals, such as achieving net zero emissions.⁸² However, the empirical evidence demonstrates that these voluntary commitments have not meaningfully changed the behaviour of financial actors.⁸³ This is a significant problem given financial actors continue to provide trillions of dollars to the fossil fuel industry.⁸⁴ The ongoing funding of fossil fuel firms allows for the continued extraction of fossil fuels, extends the useful lives of fossil fuel assets and means that fossil fuels can be price competitive with cheaper and cleaner sources of energy such as wind and solar. In short, financial actors' funding of the fossil fuel industry slows the energy transition and makes climate change far worse. The relative inaction of financial actors on climate change is especially a problem where the announcement of voluntary commitments by financial actors delays the enactment of government regulations,⁸⁵ and financial actors subsequently soften or scrap their sustainability targets.⁸⁶ Consequently, as a form of regulatory intervention,⁸⁷ strategic climate litigation represents a possible circuit-breaker which could meaningfully change the extent to which financial actors finance fossil fuel firms.

Secondly, using strategic climate litigation to hold financial actors accountable has the potential to create systemic effects. The financial system is highly interconnected, and some large financial actors have many fossil fuel firm clients. Consequently, a successful legal case could disrupt a vast number of fossil fuel firms and change the financial values of their products and assets. Put differently, a targeted legal intervention which increases the costs of doing business for fossil fuel firms could foreseeably have significant system-level knock-on effects, for example by making renewable energy technologies cheaper than fossil fuels.⁸⁸ Accordingly, focusing on financial actors offers a rare opportunity for systemic impact which could be otherwise unrealisable through the targeting of individual fossil fuel firms.

Thirdly, financial actors' contributions to climate change have been historically under-scrutinised relative to those of fossil fuel firms, though that is slowly changing.⁸⁹ Consequently, there are potentially significant legal opportunities to hold financial actors accountable which have not yet been seized.

Accordingly, while the present emissions trajectories of financial actors may seem bleak, there is potential for transformation. Strategic climate litigation can serve as a catalyst for change, prompting financial institutions to reevaluate their roles and responsibilities. This aligns with the biblical belief in the possibility of redemption, where individuals and organisations can make amends for past actions and contribute to a more sustainable and just future: 2 chronicles 7:14.

⁸² Ben Caldecott et al., 'How Sustainable Finance Creates Impact: Transmission Mechanisms to the Real Economy', *Review of World Economics*, 23 May 2024, <https://doi.org/10.1007/s10290-024-00541-9>.

⁸³ Pari Sastry, Emil Verner, and David Marques-Ibanez, 'Business as Usual: Bank Climate Commitments, Lending, and Engagement', 2024; Patrick Bolton and Marcin T. Kacperczyk, 'Firm Commitments', SSRN Scholarly Paper (Rochester, NY, 30 April 2023), <https://doi.org/10.2139/ssrn.3840813>; Quinn Curtis, Mark C. Weidemaier, and Mitu Gulati, 'Green Bonds, Empty Promises', *SSRN Electronic Journal*, 2023, <https://doi.org/10.2139/ssrn.4350209>.

⁸⁴ BankTrack, 'Banking on Climate Chaos'.

⁸⁵ Neil Malhotra, Benoît Monin, and Michael Tomz, 'Does Private Regulation Preempt Public Regulation?', *American Political Science Review* 113, no. 1 (February 2019): 19–37, <https://doi.org/10.1017/S0003055418000679>.

⁸⁶ For example, see Harriet Agnew, Malcolm Moore, and Tom Wilson, 'BP Shareholders Expect Oil Group to Scale Back Climate Target', *Financial Times*, 6 May 2024, <https://www.ft.com/content/88c8b435-7bed-4b75-ae0e-0d2673e08305>.

⁸⁷ Jacqueline Peel and Hari M. Osofsky, 'Litigation as a Climate Regulatory Tool', in *International Judicial Practice on the Environment: Questions of Legitimacy*, ed. Christina Voigt, Studies on International Courts and Tribunals (Cambridge: Cambridge University Press, 2019), 311–36, <https://doi.org/10.1017/9781108684385.013>.

⁸⁸ Mealy et al., 'Sensitive Intervention Points', 699.

⁸⁹ Joana Setzer et al., 'Climate Change Litigation and Central Banks', *SSRN Electronic Journal*, 2021, <https://doi.org/10.2139/ssrn.3977335>; Frank Elderson, 'Come Hell or High Water': Addressing the Risks of Climate and Environment-Related Litigation for the Banking Sector' (European Central Bank, 4 September 2023), https://www.ecb.europa.eu/press/key/date/2023/html/ecb.sp230904_1~9d14ab8648.en.html.

4.2 Financial actors contribute to climate change through their ‘financed emissions’

Luke 16:10 ‘Whoever can be trusted with very little can also be trusted with much, and whoever is dishonest with very little will also be dishonest with much.’

This pericope stresses the importance of accountability in all actions, no matter how small they may seem. To hold financial actors accountable for their contributions to climate change and consequent climate harms, it is useful to understand the contribution of these firms to climate change. One method of doing so is calculating firms’ ‘financed emissions’.⁹⁰ Financed emissions are indirect or ‘scope 3’ emissions associated with a firm’s investments. Relevantly, such financed emissions are many hundreds of times larger than a financial institution’s operational emissions, therefore the quantum of financed emissions provides an evidential foundation which can form the basis of legal action.⁹¹ Another measure which can be used to assess a financial institution’s contribution to climate change is to calculate its ‘economic emissions intensity’ which can be calculated by dividing a firm’s financed emissions by its assets under management.⁹² By better understanding how financial actors contribute to climate change, efforts to encourage greater accountability can be more directed and efficient, and strategic litigation targets can be identified.

5. How financial actors can be held accountable through climate-related legal interventions

Part 5: Key insights

- Climate litigation against financial actors varies in risk, objectives, and resources, with some cases aiming for wider systemic change.
- Legal strategies include tort, public law, and administrative law claims, holding financial institutions accountable for funding carbon-intensive industries.
- High-profile cases like *Milieudefensie v ING Bank* and *McVeigh v REST* set precedents for accountability over inadequate climate action.
- Emerging areas, such as greenwashing claims and shareholder activism, provide additional mechanisms to challenge financial actors.
- International courts, including the ICJ, IACtHR, and ITLOS, clarify climate obligations for states and corporations, guiding future mitigation efforts.

Reporting Standard for the Financial Industry (PCAF, 2022),
<https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf>.

⁹¹ CDP, ‘The Time to Green Finance’ (CDP, 2020),

<https://cdn.cdp.net/cdp-production/cms/reports/documents/000/005/741/original/CDP-Financial-Services-Disclosure-Report-2020.pdf?1619537981>.

⁹² Partnership for Carbon Accounting Financials, ‘Financed Emissions’.

5.1 Different types of climate litigation have different risk profiles

As the following assessment demonstrates, climate litigation comes in a wide variety of forms. Key variables include the parties to the proceeding, the parties' objectives, the jurisdiction, the relevant legal framework, the cause(s) of action and the remedies sought. Cases also differ on the extent to which they are 'strategic', the extent to which they hold the ambition of creating change which is broader than the plaintiff's direct interests and beyond the judicial remedies available to them.⁹³ Moreover, cases differ on the resources, including funding, time and expertise, which are necessary to bring them fruition. For example, using the latest available climate science to develop novel causation and attribution claims in tort law in a Global North jurisdiction requires significant resourcing relative to filing an OECD National Contact Point Complaint regarding a multinational corporation. The relative reward in each case differs significantly, presenting a dilemma for civil society groups and other potential plaintiffs contemplating climate-related legal strategies.

Climate cases therefore present different risk profiles. That is, the probability of attaining the desired objective(s) through litigation will differ between climate cases. However, like in financial markets, that risk is generally correlated with greater expected return in well-designed litigation. The other side of the coin is that climate cases also give rise to differing risks of 'backlash' which are unintended negative consequences which defy the objectives of the litigation.⁹⁴ These risks are not purely legal, in fact they can often be reputational, political and social, making them difficult to identify and evaluate prior to litigation being brought. Therefore, each climate case carries a risk that it will not achieve its objectives, as well as a risk that it will promote backlash. Accordingly, when exploring climate-related legal strategies which can be used to protect children and hold financial institutions accountable for their contributions to climate harm, these risks must be considered and evaluated. This is best done in collaboration with legal professionals with experience in climate litigation, who can advise on the risks and opportunities connected to a particular case strategy.

Generally, legal strategies which require fewer resources, rely upon existing legal doctrines and do not have a high-profile are least likely to create backlash. Further, the focus on existing legal doctrines which are familiar to the relevant legal culture, as well as the use of well-accepted forms of evidence and reasoning, are correlated with success in the courtroom.⁹⁵

It is important to note that success in the courtroom is not the only way in which the impact of a climate case can and should be understood. Often the way in which a climate case is portrayed, the narrative which is built around it, and the way it influences social and political discourse are understood as highly significant.⁹⁶ Accordingly, a high-profile case which loses can still represent a 'strategic win' by advancing a particularly favourable narrative about climate change and the moral obligations of those who have contributed to it most.⁹⁷

5.2 Parties in climate litigation involving financial actors

⁹³ Batros and Khan, 'Thinking Strategically about Climate Litigation'.

⁹⁴ Setzer, Silbert, and Vanhala, 'The Effectiveness of Climate Change Litigation'.

⁹⁵ Jacqueline Peel and Rebekkah Markey-Towler, 'Recipe for Success?: Lessons for Strategic Climate Litigation from the Sharma, Neubauer, and Shell Cases', *German Law Journal* 22, no. 8 (December 2021): 1484–98, <https://doi.org/10.1017/glj.2021.83>.

⁹⁶ Laura Gyte, Violeta Barrera, and Lucy Singer, 'The Story of Our Lives: Narrative Change Strategies in Climate Litigation', in *Litigating the Climate Emergency*, ed. César Rodríguez-Garavito, 1st ed. (Cambridge University Press, 2022), 289–302, <https://doi.org/10.1017/9781009106214.019>; Chris Hilson, 'The Role of Narrative in Environmental Law: The Nature of Tales and Tales of Nature', *Journal of Environmental Law* 34, no. 1 (1 March 2022): 1–24, <https://doi.org/10.1093/jel/eqab043>.

⁹⁷ Lisa Vanhala and Jacqui Kinghan, 'Literature Review on the Use and Impact of Litigation', 8 April 2018, <https://publiclawproject.org.uk/resources/literature-review-on-the-use-and-impact-of-litigation/>.

There are a wide range of potential targets for litigation directed at financial actors. **Commercial and investment banks** which finance fossil fuel companies are a clear target, and have already been the focus of litigation in a number of jurisdictions. For example, in the 2024 case of [Milieudefensie v ING Bank](#), the Dutch bank ING was sued for insufficient climate action, including by failing to have a GHG reduction plan in place in relation to its scope 3 or ‘financed emissions’.⁹⁸ **Asset managers and pension funds** have also been the focus of litigation on the basis that their investments in carbon-intensive industries do not take account of climate risks. The case of [McVeigh v REST](#) in Australia was brought to hold the pension fund REST accountable on the basis that REST had violated its fiduciary duties by not disclosing relevant climate change related risks or developing plans to address those risks. The case was settled in the claimant’s favour. Cases have also been filed targeting **export credit agencies**, such as in the case of [Friends of the Earth v UK Export Finance](#), which challenged the UK export credit agency’s decision to provide \$1 billion in funding to a liquified natural gas project near Mozambique. Claims regarding **multilateral development banks** are also possible, such as in the case of [ClientEarth v. European Investment Bank](#), where ClientEarth successfully argued that the EIB failed to follow proper environmental review processes when financing a biomass plant. As an emerging area, we are likely to see cases in the future targeting **insurers, credit ratings agencies, central banks, financial regulators, private equity and venture capital, large institutional investors, and sovereign wealth funds**.

Claimants in cases targeting financial actors are similarly varied depending on the facts of the case, and are likely to be individuals, communities, NGOs, NGO coalitions, consumers, shareholders, affected beneficiaries, faith groups, governments, and in some instances other companies. A recent prominent example of a faith group using a climate-related legal strategy to target a financial institution is the Sisters of St Joseph of Peace filing a resolution at the annual general meeting of Citigroup.⁹⁹ That resolution called for the board of Citigroup to report on what it was doing to protect indigenous rights affected by its project and corporate financing decisions.

5.3 Domestic climate-related legal strategies

Public law

i. Human rights claims

The Bible teaches the importance of acting justly and protecting the most vulnerable:

Micah 6:8 ‘He has shown you, O mortal, what is good. And what does the Lord require of you? To act justly and to love mercy and to walk humbly with your God.’

⁹⁸ See also, *O'Donnell v Commonwealth* [2021] FCA 1223.

⁹⁹ Attracta Mooney and Aime Williams, ‘Nuns Urge Citigroup to Rethink Financing of Fossil Fuel Projects’, *Financial Times*, 10 April 2023, <https://www.ft.com/content/ed0ce147-6308-4141-85c4-ab2fde65c428>.

Matthew 25:40 ‘The King will reply, ‘Truly I tell you, whatever you did for one of the least of these brothers and sisters of mine, you did for me.’

Such teachings reinforce the moral and theological argument that inadequate climate action is a violation of human rights which should be protected against. In law, domestic human rights claims in climate litigation focus on challenging government or corporate action (or inaction) based on the argument that the act (or omission) violates fundamental human rights protected by national laws, constitutions or international treaties. This is one of the most widespread forms of climate litigation, with some commentators identifying a ‘rights turn’ in climate litigation in recent years.¹⁰⁰ These cases assert that inadequate climate policies or failure to address climate change infringe upon rights such as the rights to life, health, private and family life, and the right to a clean, healthy and sustainable environment.¹⁰¹ Similarly, human rights claims can be brought on the basis that the harms of climate change will be discriminately and wrongfully borne by children and young people.¹⁰² Policies which fail to adequately address climate change, either for inadequate mitigation or adaptation measures, could violate the prohibition on discrimination which exists in many legal systems, providing an opportunity for youth-led climate litigation.¹⁰³

By framing climate change as a human rights issue, plaintiffs have argued that governments have a legal obligation to protect these rights through effective climate action and regulation. These cases often seek judicial intervention to compel governments to adopt more stringent climate measures or address the human rights impacts of climate change, emphasising the duty to uphold rights and ensure environmental sustainability for current and future generations.

Some examples of key successful climate cases which have relied on human rights claims include [Leghari v Federation of Pakistan](#) and [Neubauer v Germany](#). In 2015, Asghar Leghari, a Pakistani lawyer and farmer, filed a climate case in opposition to his national government for its failure to implement its climate change policies. Leghari argued that the government's inaction violated his fundamental rights to life, dignity, and property, as protected by the Pakistani Constitution, given the severe impacts of climate change on his farming livelihood. In 2018, the Lahore High Court ruled in favour of Leghari, recognizing the government's obligations to address climate change and ordering it to implement the National Climate Change Policy and the Framework for Implementation. The court also established a Climate Change Commission to oversee the execution of these policies, marking a significant judicial acknowledgment of climate change as a human rights issue and setting a precedent for environmental accountability in Pakistan. Due to the success of the human rights arguments, as well as the unusual retention of supervisory jurisdiction over the Climate Change Commission, [Leghari v Federation of Pakistan](#) is considered a landmark decision in climate law globally.¹⁰⁴

In [Neubauer v Germany](#) a group of young plaintiffs, including Sophie Neubauer, challenged the German government's climate policies, arguing that they were insufficient to meet the country's obligations under the [Paris Agreement](#) and violated their constitutional rights. The plaintiffs claimed that the Federal Climate Protection Act of 2019, which set emissions reduction targets only up to 2030, failed to adequately protect their rights to life, health, and property by postponing the burden of drastic emissions reductions to future generations. In 2021, the German Federal Constitutional Court ruled in favour of the plaintiffs, declaring that the climate law was partially unconstitutional because it lacked sufficient provisions for emissions reductions beyond 2030. The court ordered the government to amend the law by the end of 2022, ensuring that the burden of climate action is more evenly

¹⁰⁰ Jacqueline Peel and Hari M. Osofsky, ‘A Rights Turn in Climate Change Litigation?’, *Transnational Environmental Law* 7, no. 1 (March 2018): 37–67, <https://doi.org/10.1017/S2047102517000292>.

¹⁰¹ UN General Assembly, ‘The Human Right to a Clean, Healthy and Sustainable Environment’ (26 July 2022) UN Doc A/76/L.75.

¹⁰² *Duarte Agostinho and Others v. Portugal and 32 Others* (Application no. 39371/20, Grand Chamber Decision, 9 April 2024, European Court of Human Rights).

¹⁰³ Sulyok, ‘Transforming the Rule of Law in Environmental and Climate Litigation’, 20.

¹⁰⁴ Lin and Peel, ‘Assessing the Impact of Global South Climate Litigation’.

distributed across generations, making this case a significant step in the global recognition of intergenerational equity in climate law.¹⁰⁵

ii. Administrative law claims

Administrative law claims in the context of climate litigation involve legal challenges brought to hold government agencies or officials accountable, arguing that their actions or inactions violate existing environmental laws, regulations, or constitutional provisions. These claims typically assert that a government entity has either failed to fulfil its statutory obligations, overstepped its legal authority, or made decisions that are arbitrary, capricious, or not in accordance with the law, particularly in relation to climate change policy and regulation. While there are many examples of administrative law being used in the context of climate litigation, two recent cases demonstrate the utility of administrative law claims: the case of [*R \(on the application of Finch on behalf of the Weald Action Group\) v Surrey County Council*](#) in England and Wales, and the pending South African case of [*African Climate Alliance v Minister of Mineral Resources and Energy*](#).

In [*R \(on the application of Finch on behalf of the Weald Action Group\) v Surrey County Council*](#), the Supreme Court reviewed whether Surrey County Council's decision to grant planning permission for an oil extraction project at Horse Hill was lawful without assessing the greenhouse gas emissions that would result from the eventual combustion of the extracted oil (scope 3 emissions). The Council had confined the Environmental Impact Assessment (EIA) to direct emissions from the project site, excluding the combustion emissions, which the claimant argued was unlawful under the EIA Directive and the 2017 Regulations. The High Court and a majority in the Court of Appeal had upheld the Council's decision, viewing the inclusion of such emissions as a matter of evaluative judgment. However, in 2024 the Supreme Court, by a 3-2 majority, ruled that the combustion emissions were indeed 'indirect effects' of the project that must be assessed under the EIA, rendering the Council's decision unlawful. Consequently, future EIAs would be required to consider scope 3 emissions, reducing the likelihood that future fossil fuel projects are approved in the UK.

In [*African Climate Alliance v Minister of Mineral Resources and Energy*](#), several environmental organizations, including the African Climate Alliance, groundWork, and the Vukani Environmental Justice Movement in Action, are challenging the South African government's decision to include new coal-fired power plants in its Integrated Resource Plan for electricity. The plaintiffs argue that this decision violates principles of administrative law by failing to adequately consider the environmental and climate impacts, thus breaching the government's constitutional obligations to protect the environment and the rights to health, well-being, and life. They contend that the decision-making process was flawed, as it did not properly evaluate the compatibility of new coal projects with South Africa's commitments under the [*Paris Agreement*](#) or the potential harm to vulnerable communities. Accordingly, the case illustrates the nexus between human rights and administrative law in the context of climate litigation, as well as the influence of the [*Paris Agreement*](#) on domestic litigation.

iii. OECD National Contact Point complaints mechanism

The [*OECD National Contact Point \(NCP\) complaint mechanism*](#) is a non-judicial grievance process established under the OECD Guidelines for Multinational Enterprises, a set of recommendations for responsible business conduct in areas such as human rights, labour, environment, and anti-corruption. Each OECD member country has an NCP, which is responsible for promoting the guidelines and handling complaints, known as 'specific instances,' against companies allegedly failing to adhere to these standards. The mechanism allows individuals, communities, NGOs, or trade unions to file complaints against multinational enterprises for violations of the guidelines. The NCPs facilitate dialogue, mediation, and conciliation between the parties involved, aiming to resolve disputes and promote compliance with the guidelines, although they do not have the power to impose sanctions or legally binding decisions. As a result, non-compliance with a final statement of an NCP does not attract direct penalties but may create reputational and political costs, particularly when paired with an

¹⁰⁵ Peel and Markey-Towler, 'Recipe for Success?'.

effective campaigning strategy. OECD complaints have the benefit of being relatively low cost as they do not require the same levels of funding as multi-year civil litigation.

There are many environmental and climate related OECD complaints, with two leading examples being [BankTrack et al v ING](#) and [ClientEarth v BP](#). In the *BankTrack* case, NGOs filed a complaint about ING Bank with the Dutch NCP, alleging that the bank had failed to align its policies with the [Paris Agreement](#). The complaint argued that ING Bank had not taken sufficient steps to reduce its financing of fossil fuel projects, thus contributing to climate change and violating the OECD Guidelines. The NCP facilitated mediation between the parties, ultimately leading ING Bank to commit to integrating climate considerations into its lending practices.

In [ClientEarth v BP](#) environmental law NGO ClientEarth filed a complaint with the UK NCP regarding BP, one of the world's largest oil companies, for misleading advertising regarding its low-carbon energy investments. The complaint alleged that BP's ads violated the OECD Guidelines by presenting a misleading picture of the company's investment in green energy. While BP eventually withdrew the advertisements, the case highlighted the role of the NCP mechanism in addressing corporate greenwashing and promoting transparency in advertising practices.

iv. UN Guiding Principles on Business and Human Rights

Psalm 82:3 (NIV): 'Defend the weak and the fatherless; uphold the cause of the poor and the oppressed.'

In reflecting of the duty of institutions and leaders to protect those who are vulnerable, much like the [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#), this psalm emphasises the state's duty to protect human rights, the responsibility of corporations to respect them, and the need to provide remedies for those harmed by business activities. The UN, through the UNGPs, mirrors the biblical call for justice by providing a framework to hold businesses and governments accountable for their actions, ensuring that the rights of the marginalised and oppressed are upheld.

The UNGPs, endorsed by the UN Human Rights Council in 2011, provide a global standard for preventing and addressing the risk of adverse human rights impacts linked to business activity. The UNGPs are built on three pillars: (1) the state duty to protect human rights by regulating and adjudicating business activities; (2) the corporate responsibility to respect human rights, requiring businesses to avoid infringing the rights of others and to address adverse impacts with which they are involved; and (3) the need for greater access to remedies for victims of business-related abuses. These principles apply to all states and businesses, regardless of size or industry, and emphasize the importance of due diligence, transparency, and accountability in respecting human rights across all business operations. Submissions alleging breaches of the UNGPs can be made to the [UN Working Group on Business and Human Rights](#) at any time.

Two leading examples of legal processes that have relied on the UNGPs are [Milieudefensie et al. v. Royal Dutch Shell](#) and the Philippines Commission on Human Rights in its [National Inquiry on Climate Change](#). *Milieudefensie* is a landmark case where environmental groups and individuals sued Royal Dutch Shell, arguing that its business activities were incompatible with global efforts to combat climate change and violated human rights due to the environmental harm they caused. The court applied the UNGPs in determining that Shell had a responsibility to respect human rights by reducing its carbon emissions and ordered the company to cut its CO₂ emissions by 45% by 2030.¹⁰⁶

In the [National Inquiry on Climate Change](#), the Philippine Commission on Human Rights initiated an inquiry into the responsibility of 47 of the world's largest carbon producers for human rights violations resulting from climate change. The inquiry, rooted in the UNGPs, examined whether these companies had contributed to climate-related human rights harms, infringing rights such as the right to life, food, water, and adequate housing. The Commission concluded that carbon majors could be held morally

¹⁰⁶ *Milieudefensie et al. v. Royal Dutch Shell plc* (Rechtbank Den Haag, C/09/571932 / HA ZA 19-379, 26 May 2021) at paras 4.4.11-4.4.17.

and legally responsible for contributing to climate impacts, emphasizing the importance of business responsibility under the UNGPs to respect human rights and mitigate harmful practices.

v. Enforcement actions by regulators

Climate change is seen by financial and commercial regulators (such as central banks and securities authorities) as representing financial risks.¹⁰⁷ Accordingly, many regulators expect firms to treat climate risks like other financial risks. This recognition of climate-related financial risk within regulators creates space for legal strategies which support the efforts of regulators. For example, the European Central Bank [recently fined several banks for failing to adequately identify and manage climate risks](#). Accordingly, a low-risk legal strategy which could be pursued to hold financial institutions accountable is preparing detailed complaints about the climate risk management practices of particular financial institutions for regulators.

One area of possible increased regulatory scrutiny of financial institutions' efforts to obscure their climate impacts is consumer protection law. In recent years the [Australian Competition and Consumer Commission](#) has pursued actions targeting a number of companies under the Competition and Consumer Act 2010 for greenwashing by overstating environmental benefits. In the US, the Federal Trade Commission has acted against fossil fuel companies for making misleading climate claims, including a recent complaint regarding [Chevron](#) filed jointly by Greenpeace, Earthworks and Global Witness. Similarly, in the UK, the Competition and Markets Authority has developed a [Green Claims Code](#), and has targeted vague or exaggerated environmental claims with enforcement action in 2024 focused on fashion retailers.¹⁰⁸

Where financial institutions engage in greenwashing, investor and consumer protection laws can be used to hold financial institutions accountable. For example, in 2022 the SEC fined Goldman Sachs' asset management arm \$4 million for ESG policy failures.¹⁰⁹ In particular, the SEC alleged that Goldman Sachs failed to follow its own policies and procedures with respect to ESG research, leading some securities to be included in investment products without appropriate ESG due diligence being undertaken. Similarly, in 2023 BaFin and the SEC brought a joint investigation into DWS Group (Deutsche Bank) for alleged misstatements regarding ESG investment products. Without admitting or denying the investigation's findings, the asset manager agreed to a cease-and-desist order, censure, and a \$19 million penalty in the ESG misstatements action.¹¹⁰ The Australian Securities and Investment Commission (ASIC) has been similarly proactive, making 47 regulatory interventions to address misleading and deceptive conduct in relation to sustainable finance-related products and services between April 2023 and June 2024.¹¹¹

¹⁰⁷ Elderson, "Come Hell or High Water".

¹⁰⁸ Department for Business, Energy & Industrial Strategy, 'Open Letter to Fashion Retail Sector about Environmental Claims' (gov.uk, 29 July 2021), <https://www.gov.uk/government/publications/open-letter-to-fashion-retail-sector-about-environmental-claims/open-letter-to-fashion-retail-sector-about-environmental-claims>, accessed 14 September 2024.

¹⁰⁹ 'SEC Charges Goldman Sachs Asset Management for Failing to Follow Its Policies and Procedures Involving ESG Investments', U.S. Securities and Exchange Commission, 2022, <https://www.sec.gov/news/press-release/2022-209>.

¹¹⁰ 'Deutsche Bank Subsidiary DWS to Pay \$25 Million for Anti-Money Laundering Violations and Misstatements Regarding ESG Investments', U.S. Securities and Exchange Commission, 2023, <https://www.sec.gov/news/press-release/2023-194>.

¹¹¹ Australian Securities and Investments Commission, 'REP 791: ASIC's Review of Climate-related Disclosures by ASX-listed Companies and Superannuation Funds' (ASIC, 23 August 2024), <https://download.asic.gov.au/media/lbygvudn/rep791-published-23-august-2024.pdf>, accessed 14 September 2024.

Private law

There are a range of domestic private law litigation routes when seeking to hold financial actors accountable, such as actions under tort, company and financial laws, shareholder actions, consumer protection laws, fraud and misrepresentation claims, contract claims, and fiduciary duty claims. Here, three areas will be considered where there has already been meaningful litigation aimed at holding financial actors accountable.

i. Legal action brought by shareholders

Climate-related legal actions brought by shareholders typically focus on holding corporations, particularly financial institutions and energy companies, accountable for failing to adequately address or disclose climate-related risks. These actions often assert that corporate directors, officers, or the company itself breached fiduciary duties, failed to disclose material risks, or made misleading representations about climate-related issues. Examples of claims alleging a breach of fiduciary duties include [McVeigh v REST](#), described above in Part 5.2, and [ClientEarth v Shell](#), where ClientEarth, acting as a shareholder, filed a derivative action to hold Shell's board of directors accountable for failing to implement an adequate strategy to meet climate targets in line with the Paris Agreement. ClientEarth argued that the directors were breaching their duties by not adequately managing the company's climate risks. In [Abrahams v Commonwealth Bank of Australia](#) shareholders filed a lawsuit targeting the Commonwealth Bank of Australia, alleging that it failed to disclose climate-related risks in its annual report. The shareholders argued that the bank was not properly accounting for its investments in fossil fuel projects and the associated risks.

Beyond formal shareholder litigation, in recent years shareholder activism has also become an increasingly important strategy for climate accountability. Shareholder activism can take various forms, including filing shareholder resolutions, engaging in dialogue with management and launching public campaigns. Recent examples of this type of shareholder activism include the [Church of England's Pensions Board](#) putting pressure on Volkswagen AG to set stronger emissions reduction targets, and to provide public disclosure regarding its climate policy-related lobbying activities. Groups such as [ShareAction](#) have also been successful at gaining significant support for climate-related shareholder resolutions. For example, in 2020, ShareAction coordinated with a coalition of investors to file a [resolution at Barclays](#), calling on the bank to phase out its financing of fossil fuel companies, including coal, oil, and gas. The resolution sought to align Barclays' financing activities with the Paris Agreement, and was supported by 24% of investors. ShareAction has brought similar or related resolutions or campaigns regarding [HSBC](#), [Standard Chartered](#), [BP](#), and [Nestlé](#).

ii. Consumer-led greenwashing claims

Proverbs 12:22 (NIV): 'The Lord detests lying lips, but He delights in people who are trustworthy.'

This passage highlights the importance of honesty and integrity, which is especially relevant to the context of business and financial activities. Greenwashing occurs when companies or financial institutions make false or misleading representations about the environmental benefits of their products, services, or operations, often to capitalise on the growing demand for sustainable investments. Greenwashing directly contradicts the biblical principle of truthfulness. Just as the Bible condemns deceit, consumer protection laws and fraud statutes aim to prevent companies from profiting by misleading the public.

Consumer-led greenwashing claims are a growing area of litigation that can hold financial actors accountable for misleading climate or environmental claims. There have been over 140 greenwashing or ‘climate-washing’ cases filed at the time of writing.¹¹² Consumers are increasingly using consumer protection laws to challenge these misleading claims. Under these laws, financial institutions can be sued for making exaggerated or unsubstantiated claims about the sustainability or ‘green’ nature of their financial products. Greenwashing claims are also pursued under fraud and misrepresentation statutes, where consumers argue that they were misled into purchasing financial products under the false impression that they were sustainable or environmentally friendly. An example of a successful greenwashing claim using European consumer law is [FossilVrij NL v KLM](#), brought to hold the Dutch airline KLM accountable for misleading advertisement claims under its ‘Fly Responsibly’ campaign. The program encouraged consumers to buy carbon offsets and emphasized KLM’s efforts toward making air travel more sustainable. The plaintiffs argued that KLM’s claims were misleading because they created the false impression that its flights were environmentally responsible and that carbon offset programs could fully compensate for the environmental harm caused by air travel.

As is noted above in Part 5.3, regulators are increasingly addressing greenwashing by enforcing consumer laws. For example, in 2024 the Australian Securities and Investment Commission won its first greenwashing trial in [ASIC v Vanguard Investments Australia Ltd](#). ASIC was able to show that Vanguard had contravened the ASIC Act by making misleading claims about certain environmental, social and governance (ESG) policies in relation to an index fund. Given the shifting consumer protection regulatory environment, it is likely that climate litigation in this field will continue to grow.

iii. Tort claims

Ezekiel 34:10 (NIV): ‘This is what the Sovereign Lord says: I am against the shepherds and will hold them accountable for my flock. I will remove them from tending the flock so that the shepherds can no longer feed themselves. I will rescue my flock from their mouths, and it will no longer be food for them.’

This passage echoes the role of tort law in climate litigation, which seeks to compel corporations and governments to take responsibility for their harmful actions. Just as the shepherds are held accountable for neglecting their flock, entities contributing to environmental degradation should answer for the damage they have caused to both people and the planet.

Tort law is increasingly being used in this manner. More specifically, tort law-based climate litigation is being used to hold corporations and governments accountable for contributing to climate change and its harmful impacts. In these cases, plaintiffs argue that entities responsible for significant greenhouse gas emissions are liable for damages under tort principles such as negligence, nuisance, and the public trust doctrine. For instance, plaintiffs might claim that a corporation’s emissions have directly contributed to environmental harm, public health crises, or property damage, and seek compensation or remedial action. Tort claims in climate litigation often involve complex causation issues, as plaintiffs must establish a link between the defendant’s actions and the specific climate-related harms they have suffered. Despite these challenges, tort law provides a legal pathway for addressing the damages caused by climate change, pushing for greater governmental and corporate responsibility for the impacts of climate change.

The leading tort case in common law jurisdictions is the New Zealand case of [Smith v Fonterra](#). In *Smith*, Michael Smith, a Māori leader, brought tort claims targeting New Zealand’s seven largest greenhouse gas emitters, responsible for one-third of the country’s emissions. He argued their activities constituted public nuisance, negligence, and a novel climate duty, claiming that the defendants’ emissions would harm him personally, particularly due to rising sea levels, loss of culturally significant sites, damage to fisheries, and health impacts.¹¹³ While Smith did not seek damages, he requested the Court to issue declarations and mandate emissions reductions. Initially, Smith’s claims were struck out,

¹¹² Setzer and Higham, ‘Global Trends in Climate Change Litigation: 2024 Snapshot’, 7.

¹¹³ *Smith v Fonterra Co-operative Group Ltd* [2024] NZSC 5, at para 63.

but the New Zealand Supreme Court reversed this, allowing all three claims to proceed to trial.¹¹⁴ The Court ruled that Smith had plausibly identified public rights being interfered with and affirmed that public nuisance did not require illegal activity.¹¹⁵ Importantly, the Court found that causation challenges were similar to historical pollution cases and should be addressed at trial, allowing Smith's case to potentially become the first full climate tort claim heard at trial in a common law jurisdiction.

5.4 Regional climate-related legal strategies

Regional human rights courts

Regional human rights courts have increasingly been used as forums for climate litigation, leveraging their mandate to protect human rights to address the impacts of climate change. These courts, such as the European Court of Human Rights (ECtHR), the Inter-American Court of Human Rights (IACtHR), and the African Court on Human and Peoples' Rights, provide a platform for individuals, communities, and NGOs to bring claims to hold states accountable for failing to mitigate or adapt to climate change, arguing that such failures violate fundamental human rights like the rights to life, health, private and family life, and the right to a clean, healthy and sustainable environment.¹¹⁶

The ECtHR has been a particularly active forum for climate litigation, with 12 cases filed before the Court at the time of writing.¹¹⁷ In 2024 the Court's Grand Chamber handed down its first climate-related decisions in three cases: *Verein KlimaSeniorinnen Schweiz and Ors v Switzerland*, *Carême v France*, and *Duarte Agostinho and Others v Portugal and 32 Others*. The *KlimaSeniorinnen* decision was a landmark victory, holding that Switzerland had breached its positive obligations under the right to private and family life and was under an obligation to protect citizens from the serious adverse effects of climate change on lives, health, wellbeing and quality of life.¹¹⁸ In the *Duarte* case, six Portuguese youth filed a case before the ECtHR in 2020 regarding 33 European countries, arguing that these governments' insufficient action on climate change violated their rights under the European Convention on Human Rights (ECHR). While the *Duarte* case was dismissed on procedural grounds, it was a notable example of youth-led litigation before regional courts. With the strong precedent established in *KlimaSeniorinnen*, a clear basis exists for future youth-led litigation before the ECtHR.

The IACtHR has similarly been a forum that has developed progressive decisions on environmental degradation, climate change, and the rights of Indigenous peoples and other vulnerable communities.¹¹⁹ The Court issued an advisory opinion on environmental law, including climate change, in 2017, which has informed subsequent human rights-based climate cases in other jurisdictions.¹²⁰ The IACtHR is generally recognised as being a court that is more open to novel legal arguments, and may therefore be a strategically impactful jurisdiction for future climate litigation.

¹¹⁴ *Smith v Fonterra*, at para 190.

¹¹⁵ *Smith v Fonterra*, at para 147.

¹¹⁶ Joana Setzer, Harj Narulla, Catherine Higham and Emily Bradeen 'Climate Litigation in Europe: A Summary Report for the EU Forum of Judges for the Environment' (Grantham Research Institute on Climate Change and the Environment, December 2022), https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2022/12/Climate-litigation-in-Europe_A-summary-report-for-the-EU-Forum-of-Judges-for-the-Environment.pdf, accessed 14 September 2024, p 25.

¹¹⁷ Setzer and Higham, 'Global Trends in Climate Change Litigation: 2024 Snapshot', 7.

¹¹⁸ *Verein KlimaSeniorinnen Schweiz and Ors v Switzerland* Application no. 53600/20 (European Court of Human Rights, 9 April 2024), https://climatecasechart.com/wp-content/uploads/non-us-case-documents/2024/20240409_Application-no.-5360020_judgment-1.pdf, at para 519.

¹¹⁹ See for example, *Saramaka People v. Suriname (Preliminary Objections, Merits, Reparations, and Costs)* IACHR Series C No 172 (2007) <https://www.corteidh.or.cr/docs/casos/articulos/seriec_172_ing.pdf> accessed 14 September 2024; *Kichwa Indigenous People of Sarayaku v. Ecuador (Merits and Reparations)* IACHR Series C No 245 (2012) <https://www.corteidh.or.cr/docs/casos/articulos/seriec_245_ing.pdf> accessed 14 September 2024.

¹²⁰ *Advisory Opinion OC-23/17* (Inter-American Court of Human Rights, 15 November 2017) <https://www.corteidh.or.cr/docs/opiniones/seriea_23_ing.pdf> accessed 14 September 2024.

Looking ahead, regional human rights courts could play a crucial role in setting legal precedents that establish state responsibilities to combat climate change as part of their human rights obligations. These courts can compel states to adopt stronger climate policies, provide remedies for those harmed by climate impacts, and set standards for other regions to follow. By framing climate change as a human rights issue, regional courts can bridge the gap between environmental protection and human rights, making them powerful forums for advancing global climate justice.

Climate litigation before the Court of Justice of the European Union

Since 2005, the Court of Justice of the European Union (CJEU) and its predecessor courts have heard over 60 climate cases.¹²¹ The large majority of these cases have been brought by corporations and governments focusing on the EU Emissions Trading System (EU ETS). Of the 19 climate-related cases not involving the EU ETS, most have had outcomes aligned with climate action. Cases such as [Lipidos Santiga v. Commission](#), which involved a challenge to EU regulations on palm oil biofuels, demonstrate the CJEU's consistent defence of climate-related EU policies. The CJEU delivered a landmark judgment in the case of [ClientEarth v. European Investment Bank](#), where ClientEarth successfully argued that the EIB failed to follow proper environmental review processes when financing a biomass plant. The CJEU upheld the General Court's ruling in 2023, finding that the EIB and other financiers are subject to scrutiny under environmental law, including the [Aarhus Convention](#). This decision sets a strong precedent for holding financial institutions accountable for their environmental impacts and ensuring they align with the EU's climate objectives under the European Green Deal.

As financial regulations evolve, particularly under the [EU's Sustainable Finance Disclosure Regulation \(SFDR\)](#), the CJEU will continue to play a key role in enforcing the obligations of financiers to consider climate risks.

5.5 International climate-related legal strategies

¹²¹ Joana Setzer, Harj Narulla, Catherine Higham and Emily Bradeen 'Climate Litigation in Europe: A Summary Report for the EU Forum of Judges for the Environment' (Grantham Research Institute on Climate Change and the Environment, December 2022), https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2022/12/Climate-litigation-in-Europe_A-summary-report-for-the-EU-Forum-of-Judges-for-the-Environment.pdf, accessed 14 September 2024, p 23.

Advisory opinions on climate change before ITLOS, IACtHR and ICJ

One of the most significant climate litigation developments in recent years has been a series of three parallel cases, known as advisory opinions, before regional and international courts. Between December 2022 and March 2023 requests for advisory opinions on the obligations of states in relation to climate change were made before the [Inter-American Court of Human Rights \(IACtHR\)](#), the [International Tribunal for the Law of the Sea \(ITLOS\)](#) and the [International Court of Justice \(ICJ\)](#).

Advisory opinions are a non-binding form of legal proceeding that provide courts with an opportunity to clarify the state of the law in response to specific legal questions. The parallel advisory opinions on climate change before the IACtHR, ITLOS and the ICJ are an unprecedented judicial consideration of State obligations in relation to climate change by the highest courts in the world, which has profound implications for further litigation at the international, regional and domestic level, and for climate policy more generally. Collectively these cases cover a broad array of climate and environmental legal questions, touching on many of the areas identified in this handbook. Further advisory opinions on climate change from these courts are unlikely, and as such these decisions carry outsized significance in setting the global legal framework for future climate litigation in years to come. Of particular relevance for financial actors are the judicial considerations of the obligations of non-state actors, such as corporations, and the obligations of States to provide finance in line with their mitigation and adaptation obligations. Each set of proceedings will be briefly described.

The IACtHR advisory opinion was requested in December 2022 by Colombia and Chile. This request is the most expansive of the three, and seeks clarification on how the American Convention on Human Rights (ACHR) applies to the climate emergency, particularly regarding States' obligations to prevent harm caused by climate change. Key issues considered by the Court include the mitigation and adaptation obligations of States, the State duty of prevention, the extraterritorial nature of emissions and human rights obligations, and the obligations to protect vulnerable communities and future generations.¹²²

The request asks the IACtHR to provide guidance on how States should align their human rights obligations with international climate commitments, particularly as they relate to mitigation, adaptation, and financial support. Hearings for the case were held in Barbados and Manaus, Brazil in 2024. Unlike ITLOS and the ICJ, the IACtHR has open standing provisions, meaning that [over 300](#) States, NGOs, communities, research institutions, individuals, and companies made submissions to the Court.¹²³ Many parties advocated for stringent obligations being imposed on corporations, including private financial actors, in addition to emphasising the need for public finance from developed States to discharge their climate finance obligations under the Paris Agreement.¹²⁴ The ruling from this advisory opinion will significantly influence future climate litigation in the Americas and beyond – particularly in light of the influence of the [2017 advisory opinion on the environment](#) issued by the Court, which has shaped subsequent decision making by the IACtHR and UN human rights bodies. A decision is expected in early 2025, and is likely to provide a basis for litigation domestically in the Americas and regionally before the IACtHR focusing on, amongst other things, the human rights obligations of public and private financial actors.

¹²² *Request for an Advisory Opinion on Climate Emergency and Human Rights* (Inter-American Court of Human Rights, submitted by the Republic of Colombia and the Republic of Chile, 9 January 2023), https://climatecasechart.com/wp-content/uploads/non-us-case-documents/2023/20230109_18528_petition-2.pdf, accessed 18 September 2024.

¹²³ These submissions are an incredibly rich open resource for climate litigation arguments relating to human rights, and a range of other climate litigation topics. They are accessible on the Court's website: IACtHR, 'Request for an Advisory Opinion Submitted by the Republic of Chile and the Republic of Colombia', 2024, https://www.corteidh.or.cr/observaciones_oc_new.cfm?nId_oc=2634, accessed 16.9.24.

¹²⁴ See for example submissions from Vanuatu: IACtHR, 'Request for an Advisory Opinion Submitted by the Republic of Chile and the Republic of Colombia', 2024, https://corteidh.or.cr/sitios/observaciones/OC-32/3_Vanuatu.pdf, accessed 16 September 2024.

The ITLOS advisory opinion was requested in December 2022 by the Commission of Small States on Climate Change and International Law (COSIS), and handed down in May 2024, with over 50 States and intergovernmental organisations making submissions.¹²⁵ The focus of the request was States' climate change obligations under the 1982 UN Convention on the Law of the Sea (UNCLOS), which creates ITLOS. While narrower in legal scope than both the IACtHR and the ICJ proceedings, the case was concerned with whether greenhouse gas emissions constitute 'marine pollution' within the meaning of UNCLOS. In its unanimous decision, the Tribunal found that greenhouse gas emissions from land-based and ocean-based sources are a form of marine pollution and must be mitigated, controlled, and eventually eliminated.¹²⁶ Article 194 of UNCLOS requires States to take 'all necessary measures' to reduce and control this marine pollution, applying a 'stringent' standard of due diligence.¹²⁷ Importantly, the Tribunal found that the obligation to take measures necessary to protect and preserve the marine environment requires States to ensure that non-State actors within their jurisdiction, such as private financial actors, comply with such measures.¹²⁸ This opens up the possibility for litigation to hold states accountable for their failure to guarantee that non-state actors, including private financial actors, are complying with their climate change obligations under UNCLOS and the Paris Agreement. It also provides a basis for pressuring financial actors, on the basis that they are liable to be sanctioned by the States where they are headquartered for failures to take appropriate climate action.

The advisory opinion proceedings before the ICJ are the most consequential of the three, given the ICJ's status as the 'World Court' and one of the principal organs of the United Nations. The ICJ advisory opinion was unanimously requested by the UN General Assembly at its 77th session through [resolution A/77/L.58](#), after a campaign spearheaded by Vanuatu and Small Islands Developing States (SIDS). The Court will be considering two questions, the first relating to the obligations of States to protect the climate system and other parts of the environment from anthropogenic climate change, and the second related to the legal consequences that States face if they are in breach of these international obligations.¹²⁹ The questions are notable for their explicit reference to present and future generations and small island developing States. The questions also encompass a wide source of relevant laws, such as general and customary international law, international environmental law, international human rights law, the law of the sea, and the climate change treaties.¹³⁰ This means that the ICJ will have the opportunity to incorporate and harmonise the decisions of the IACtHR and ITLOS, ideally into a durable and coherent set of legal rules which will govern climate law, litigation and policy in years to come, which has important implications for all financial actors. The case is notable for its wide engagement, with 91 States and intergovernmental organisations having participated in the case,

¹²⁵ ITLOS, 'Request for an Advisory Opinion Submitted by the Commission of Small Island States on Climate Change and International Law (Request for Advisory Opinion Submitted to the Tribunal)', 2024, <https://www.itlos.org/en/main/cases/list-of-cases/request-for-an-advisory-opinion-submitted-by-the-commission-of-small-island-states-on-climate-change-and-international-law-request-for-advisory-opinion-submitted-to-the-tribunal/>, accessed 16 September 2024.

¹²⁶ *Request for an Advisory Opinion Submitted by the Commission of Small Island States on Climate Change and International Law* (Advisory Opinion, ITLOS Case No 31, 21 May 2024), https://www.itlos.org/fileadmin/itlos/documents/cases/31/Advisory_Opinion/C31_Adv_Op_21.05.2024_orig.pdf, accessed 16 September 2024, at paras 259-264.

¹²⁷ *Request for an Advisory Opinion Submitted by the Commission of Small Island States on Climate Change and International Law* (Advisory Opinion, ITLOS Case No 31, 21 May 2024), https://www.itlos.org/fileadmin/itlos/documents/cases/31/Advisory_Opinion/C31_Adv_Op_21.05.2024_orig.pdf, accessed 16 September 2024, at paras 241, 243, 256-258.

¹²⁸ *Request for an Advisory Opinion Submitted by the Commission of Small Island States on Climate Change and International Law* (Advisory Opinion, ITLOS Case No 31, 21 May 2024), https://www.itlos.org/fileadmin/itlos/documents/cases/31/Advisory_Opinion/C31_Adv_Op_21.05.2024_orig.pdf, accessed 16 September 2024, at para 396.

¹²⁹ United Nations General Assembly, 'Request for an Advisory Opinion of the International Court of Justice on the obligations of States in respect of climate change' (29 March 2023) UN Doc A/RES/77/276, p 3.

¹³⁰ See chapeau to the question: United Nations General Assembly, 'Request for an Advisory Opinion of the International Court of Justice on the obligations of States in respect of climate change' (29 March 2023) UN Doc A/RES/77/276, p 3.

including significant representation from the Global South and SIDS. Oral hearings are due to commence in the Hague on 2 December 2024, with a decision expected in mid-2025.

Complaints to international human rights bodies

As set out above, climate litigation has been particularly successful in the field of human rights.¹³¹ This is perhaps unsurprising given the intersections between climate and human rights law, with climate change foreseeably impacting the enjoyment of basically all human rights.¹³² The relationship between climate change and human rights is also expressed in various sources of international law, including the preamble of the [Paris Agreement](#) which states that Parties ‘should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights’.¹³³ Accordingly, international human rights bodies, such as the UN Committee on the Rights of the Child, the UN Human Rights Committee and the UN Committee on the Elimination of Racial Discrimination, represent a potentially suitable forum for youth-led climate-related legal strategies.

These bodies have already been active in making a number of significant climate-related decisions.¹³⁴ In *Sacchi v. Argentina and Others* the UN Committee on the Rights of the Child adopted the approach to extraterritoriality developed by the IACtHR in its 2017 Advisory Opinion, meaning that States are legally responsible for the harmful effects of emissions originating in their territory on children outside their borders. In its [General Comment No 26](#), the Committee went further, setting out several specific obligations for states in the context of climate change in order to protect children’s rights. The findings of the UN treaty bodies are therefore a key legal source in the ongoing advisory opinion proceedings. There will be future opportunities for complaints to these bodies both based on their existing decisions and the forthcoming advisory opinions insofar as they relate to children’s rights and human rights law.

¹³¹ Peel and Osofsky, ‘A Rights Turn in Climate Change Litigation?’

¹³² Riccardo Luporini and Annalisa Savaresi, ‘International Human Rights Bodies and Climate Litigation: Don’t Look Up?’, *Review of European, Comparative & International Environmental Law* 32, no. 2 (2023): 267, <https://doi.org/10.1111/reel.12491>.

¹³³ United Nations, ‘Paris Agreement’.

¹³⁴ See, for example, UN Human Rights Committee ‘Views Adopted by the Committee under Article 5 (4) of the Optional Protocol, Concerning Communication No. 3624/2019’ UN Doc CCPR/C/135/D/3624/2019 (22 September 2022) (*Daniel Billy Decision*).

6. Cross-cutting and emerging opportunities for climate-related legal strategies focused on financial actors

Part 6: Key insights

- The evolving international financial reporting framework creates opportunities for climate-related legal strategies targeting financial actors, making climate action mandatory within institutions.
- EU regulations, including the Corporate Sustainability Due Diligence Directive (CSDDD) and Capital Requirements Directive (CRD VI), require companies to align with a 1.5°C target and integrate climate risks in prudential plans by 2025.
- The IFRS S2 standard mandates scope 1, 2, and 3 emissions disclosures, increasing transparency and enabling more strategic climate litigation.
- Scenario analysis disclosure requirements offer legal avenues to hold institutions accountable if their projections conflict with net-zero commitments.
- Advances in attribution science support direct legal claims against high-emission corporations, as demonstrated in cases like *Lliuya v RWE AG* and *Asmania et al v Holcim*, setting a precedent for future climate accountability.

The international regulatory framework governing financial reporting and its relationship with climate change and corporate obligations is in a state of flux. Announced changes to that framework, which are yet to come into effect, are likely to create unprecedented opportunities for climate-related legal strategies which focus on financial actors. Put differently, the emerging international regulatory framework offers hope for a new regulatory ‘normal’ which mainstreams climate action within financial institutions. Such a structured commitment to justice accords with the teachings of the Bible:

Deuteronomy 16:20 (NIV): ‘Follow justice and justice alone, so that you may live and possess the land the Lord your God is giving you.’

This verse highlights that justice should not be left to voluntary actions. Rather the pursuit of justice, including corporate accountability for climate harms, should be mandatory.

Mandated 1.5 degree-aligned transition plans

As climate change regulation moves along the regulatory conveyor belt from voluntary initiatives to hard rules,¹³⁵ scrutiny of corporations’, including financial institutions’, transition plans will increase. For example, in the European Union the [Corporate Sustainability Due Diligence Directive \(CSDDD\)](#) will require certain companies to put into effect transition plans for climate change mitigation which aim to ensure, through ‘best efforts’, that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement and the objective of achieving climate neutrality (art 22).¹³⁶ What constitutes ‘best efforts’, as well as what is ‘compatible’ with limiting warming to 1.5 °C, are ultimately

¹³⁵ Thomas Hale et al., ‘Turning a Groundswell of Climate Action into Ground Rules for Net Zero’, *Nature Climate Change*, 8 April 2024, 1–3, <https://doi.org/10.1038/s41558-024-01967-7>.

¹³⁶ European Parliament and Council of the European Union, ‘Corporate Sustainability Due Diligence Directive’ (Council of the European Union, 2024).

legal questions which are likely to be the focus of future climate litigation. However, there is a relatively long runway to such legal action given that the CSDDD will not apply for approximately 3 years and will only have full application after 5 years.¹³⁷

Mandated consideration of climate risks in prudential plans

Relatedly, in some jurisdictions financial institutions will be required to develop prudential transition plans which detail how their capital holdings will change in parallel with the transition to net zero.¹³⁸ For example, the EU's revised Capital Requirements Directive (CRD VI) includes a new legal requirement for banks to prepare prudential plans to address climate-related and environmental risks arising from the process of adjustment towards climate neutrality by 2050.¹³⁹ CRD VI will come into effect from 2025,¹⁴⁰ and represents a step-change in the regulation of climate risks within financial institutions by imposing substantive transition risk-based obligations.

Mandated scope 1, 2 and 3 emissions disclosures

Regulations regarding the disclosure of greenhouse gas emissions are also becoming more rigorous across jurisdictions. In June 2023, the International Sustainability Standards Board [issued its first two International Financial Reporting Standards \(IFRS\) Sustainability Disclosure Standards](#), IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. These standards have been endorsed by the [Financial Stability Board](#) and the [International Organization of Securities Commissions](#), as well as the [International Monetary Fund](#), the [Organisation for Economic Co-operation and Development](#), the [World Bank](#), the [Asian Development Bank](#) and the [Network for Greening the Financial System](#), and are therefore now being implemented globally.¹⁴¹ As of June 2024, Brazil, Costa Rica, Sri Lanka, Nigeria and Turkey have announced decisions to use the standard, while Australia, Canada, Japan, Malaysia and Singapore have or are currently consulting on introducing the standard into their respective regulatory frameworks.¹⁴²

Relevantly, IFRS S2 Climate-related Disclosures will require entities to disclose their absolute gross scope 1,2 and 3 emissions.¹⁴³ Disclosure of these emissions is likely to assist the governance of climate change and allow climate-related legal strategies to be more strategic and targeted.

Mandated disclosure of scenario analysis inputs and assumptions

Financial institutions commonly conduct scenario analysis to assess their exposure to climate risks under different scenarios, allocate capital and devise their corporate strategies. Forthcoming scenario analysis regulations will provide a particularly impactful opportunity for climate-related legal strategies to interrogate these scenario analysis exercises.¹⁴⁴ For example, IFRS S2: Climate-Related Disclosures

¹³⁷ European Council, 'Corporate Sustainability Due Diligence: Council Gives Its Final Approval', 2024, <https://www.consilium.europa.eu/en/press/press-releases/2024/05/24/corporate-sustainability-due-diligence-council-gives-its-final-approval/>.

¹³⁸ See, for example, Simon Dikau et al., 'Prudential Net Zero Transition Plans: The Potential of a New Regulatory Instrument', *Journal of Banking Regulation*, 15 May 2024, <https://doi.org/10.1057/s41261-024-00247-w>.

¹³⁹ Frank Elderson, 'Failing to Plan Is Planning to Fail' – Why Transition Planning Is Essential for Banks', 23 January 2024, <https://www.bankingsupervision.europa.eu/press/blog/2024/html/ssm.blog240123~5471c5f63e.en.html>.

¹⁴⁰ European Commission, 'Latest Updates on the Banking Package - European Commission', European Commission, 2023, https://finance.ec.europa.eu/news/latest-updates-banking-package-2023-12-14_en.

¹⁴¹ 'COP28 Declaration of Support', IFRS Website, 2023, <https://www.ifrs.org/ifrs-sustainability-disclosure-standards-around-the-world/cop28-declaration-of-support/>.

¹⁴² 'IFRS - Progress Towards Adoption of ISSB Standards as Jurisdictions Consult', 2024, <https://www.ifrs.org/news-and-events/news/2024/04/progress-towards-adoption-of-issb-standards-as-jurisdictions-consult/>.

¹⁴³ The definitions of scope 1, 2 and 3 emissions are set out in the standard, see IFRS, 'IFRS S2: Climate-Related Disclosures' (IFRS, 2023), para. 10, <https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s2-climate-related-disclosures.pdf>.

¹⁴⁴ IFRS, 'IFRS S2: Climate-Related Disclosures', IFRS Standards (International Foundation for Reporting Standards, 2023); EFRAG and IFRS, 'ESRS-ISSB Standards: Interoperability Guidance' (IFRS, 2024),

stipulates that entities shall use climate-related scenario analysis to assess their climate resilience and disclose the results, as well as disclose information about the inputs and key assumptions used in the scenario analysis.¹⁴⁵ Where scenarios relied upon are inaccurate or inconsistent with financial institutions' public statements about their transition to net zero and alignment with the Paris Agreement, opportunities for climate-related legal action to facilitate accountability may be created.

Developments in attribution science

One area of important scientific progress in recent years is the development of sophisticated attribution science methodologies.¹⁴⁶ This has unlocked climate litigation opportunities, in particular with respect to corporate actors. Two types of attribution science are of particular relevance. Event attribution allows scientists to determine whether anthropogenic climate change altered a particular weather event, while source attribution enables climate scientists to identify what emission sources are contributing most to climate change.¹⁴⁷ These methodologies can therefore provide a solid factual basis for establishing legal liability for climate change, which is being developed in two high-profile test cases, *Lliuya v RWE AG* and *Asmania et al v Holcim*.

In *Lliuya*, a Peruvian farmer has brought a civil claim to hold Germany's largest electricity producer, RWE, accountable for their historical contribution to climate change. The claimant, Saul Lliuya, is seeking damages to pay for the cost of flood protection, which will be necessary to address the risk created by a glacial lake expanding at an accelerated rate due to the retreat of the Palcaraju Glacier. The *Holcim* case similarly relies on claimants in the Global South bringing a transnational civil claim against a company in the Global North. Four Indonesians living on the island of Pari have brought the claim to hold Holcim, a Swiss cement company, accountable and are seeking compensation for climate damages they have suffered, a financial contribution to flood-protection measures, and a rapid reduction in Holcim's greenhouse gas emissions.¹⁴⁸ While these claims are still novel, in coming years attribution science has the capacity to provide causal evidence in direct claims holding financial actors accountable for funding high-emitting activities causing climate change.

<https://www.efrag.org/Assets/Download?assetUrl=/sites/webpublishing/SiteAssets/ESRS-ISSB+Standards+Interoperability+Guidance.pdf>.

¹⁴⁵ IFRS, 'IFRS S2: Climate-Related Disclosures', 2023, para. 22.

¹⁴⁶ Delta Merner, 'From Research to Action: The Growing Impact of Attribution Science' (Union of Concerned Scientists, 10 May 2022), <https://blog.ucsusa.org/delta-merner/from-research-to-action-the-growing-impact-of-attribution-science/> accessed 26 September 2024.

¹⁴⁷ Delta Merner, 'From Research to Action: The Growing Impact of Attribution Science' (Union of Concerned Scientists, 10 May 2022), <https://blog.ucsusa.org/delta-merner/from-research-to-action-the-growing-impact-of-attribution-science/> accessed 26 September 2024.

¹⁴⁸ Friends of the Earth International, 'Pari Island vs Holcim: A Climate Justice Case' (Friends of the Earth International, 12 July 2023), <https://www.foei.org/pari-island-against-holcim/> accessed 26 September 2024.

7. Campaigning to accompany legal action

Part 7: Key insights

- Ecclesiastes 4:9 emphasises the power of collaboration, which aligns with the idea that strategic litigation supports broader social movements, amplifying the impact of climate activism and shifting public discourse on climate issues.
- Campaigns like ‘Justice For #EachGeneration’ enhance litigation outcomes, with widespread support from organisations, including churches, boosting public awareness and mobilising further climate action.
- Non-litigious actions, such as pre-action correspondence or formal enquiries with financial actors, can prompt behavioural changes and accountability, with resources and templates available to facilitate effective climate advocacy without court proceedings.

Ecclesiastes 4:9 (NIV): ‘Two are better than one, because they have a good return for their labour.’

This verse speaks to the importance of working together to achieve a common goal. Relatedly, strategic litigation is not an end in itself, but rather a tool that can assist social movements to attain their collective goals.¹⁴⁹ Accordingly, the development, implementation and evaluation of legal strategies should be grounded in the interests of the social movements or organisations which they serve. At the same time, the impacts of litigation are bolstered by the existence of a broader activism campaign and, as a result, can alter the way people speak about and respond to climate change.¹⁵⁰

For example, the ‘[Justice For #EachGeneration](#)’ campaign significantly enhanced the impacts of the climate case of *Juliana v United States*. The campaign was supported by churches across the United States and issued a call for ‘more than a thousand sermons in solidarity with the youth awakening a nation to climate action’.¹⁵¹ Campaigning can also make use of the law, even without the use of litigation. For example, pre-action correspondence with financial actors can lead to mutually agreed settlements without litigation.

Formal correspondence with financial actors can also place pressure on them to change their behaviour without the need for litigation. WCC has developed [template letters](#) in English, French, German, Spanish, and Portuguese for this purpose. Similar resources are available on the [Action4Justice website](#), in addition to templates for developing litigation.

Some example actions that your organisation could take are as follows: If you are a member of a pension scheme, you could write to the managers or trustees seeking information about the extent to which they take climate change risks into account in their investment policy. Depending on the answer, legal action may be possible. You could also report suspected instances of inadequate reporting or disclosure of a company’s climate change policies, or of the climate consequences of its activities, to

¹⁴⁹ Steven A. Boutcher and Holly J. McCammon, ‘Social Movements and Litigation’, in *The Wiley Blackwell Companion to Social Movements* (John Wiley & Sons, Ltd, 2018), 306–21, <https://doi.org/10.1002/9781119168577.ch17>.

¹⁵⁰ Paola Villavicencio Calzadilla, ‘Climate Change Litigation: A Powerful Strategy for Enhancing Climate Change Communication’, in *Addressing the Challenges in Communicating Climate Change Across Various Audiences*, ed. Walter Leal Filho, Bettina Lackner, and Henry McGhie (Cham: Springer International Publishing, 2019), 231–46, https://doi.org/10.1007/978-3-319-98294-6_15.

¹⁵¹ Justice for #EachGeneration, ‘Justice for #EachGeneration’, Homepage, 2024, <http://www.eachgeneration.org/>.

the relevant regulatory authorities. A range of further resources to support non-litigious campaigning activities is set out in the Annex to this handbook.

8. Conclusion

Part 8: Key insights

- The WCC highlights the climate crisis as a profound moral, ethical, and legal challenge, advocating for collective action to hold financial actors accountable for their role in environmental harm through strategic litigation, advocacy, and policy reform.
- Climate justice prioritises those most affected by climate change—children, vulnerable communities, and future generations—who suffer the greatest impacts despite minimal contributions to the crisis; holding institutions accountable is essential for a sustainable, just future.
- While legal action is transformative and offers much hope, the WCC stresses that it must be paired with societal shifts and faith-driven advocacy to foster holistic change, support young advocates, and inspire hope for a thriving world.

The climate crisis represents one of the greatest moral, ethical, and legal challenges of our time. The World Council of Churches (WCC), through its commitment to justice and the protection of the most vulnerable, underscores the necessity of collective action, guided by faith and law, to confront this profound threat. This handbook has provided a roadmap for utilising legal mechanisms to address the systemic injustices of climate change, particularly focusing on holding financial actors accountable for their role in perpetuating environmental harm.

At the heart of climate justice is the recognition that the impacts of climate change are not distributed equally. The most affected populations—children, young people, vulnerable communities, and future generations—have contributed the least to the crisis but bear the brunt of its consequences. Through strategic litigation, advocacy, and policy reform, this handbook aims to empower these communities to seek justice by challenging the institutions and systems that continue to support the unsustainable extraction and burning of fossil fuels. Financial actors, in particular, have a critical role in either perpetuating or mitigating the climate crisis, and holding them accountable is a crucial step in addressing the root causes of global warming.

The WCC stresses that legal action is not just about addressing past wrongs, but about building a sustainable, hopeful future. By compelling governments, corporations, and financial institutions to adopt responsible, sustainable practices, climate litigation can become a transformative force for environmental restoration. It reminds us that the efforts of today are laying the foundation for a just and thriving world for future generations. The hope embedded in these legal actions is the hope of transformation — a belief that through accountability, we can reshape the world into one where both humanity and the planet can flourish.

However, this handbook also stresses that litigation alone cannot solve the climate crisis. While legal strategies are vital, they must be accompanied by broader societal changes, including shifts in economic models, consumption patterns, and policy settings. Faith communities have a unique role to play in this broader movement for climate justice. Through their ethical teachings, advocacy, and community engagement, religious institutions can inspire action, raise awareness and hope, and stand in solidarity with the most vulnerable populations affected by climate change.

Finally, the WCC recognises the importance of safeguarding the mental, emotional, and spiritual well-being of young people engaged in climate advocacy. Their involvement in climate litigation is important, but it must be approached with care, ensuring they are supported throughout the legal process. The integration of legal, ethical, and spiritual frameworks in addressing climate change allows for a more holistic approach, acknowledging that the fight for climate justice is not only a legal battle, but a moral and theological imperative. If we are successful, we will collectively craft a future in which the earth, and all its inhabitants, thrive.

Annex: Resources and templates to hold financial actors accountable for their contributions to climate harms

1. Action4Justice Climate Litigation Templates

- [Climate Litigation Guide](#): Designed by legal experts, the Action4Justice Climate Litigation Templates offer structured guidance for bringing climate-related cases. These templates serve as foundational resources for individuals and organisations considering climate litigation, providing a legal framework and practical insights.
- [Mitigation Claims Template](#)
- [People vs Carbon Majors Template](#)

2. [BankTrack](#), the [Public Bank Climate Tracker Matrix](#) and the [Carbon Bombs map](#)

- BankTrack provides information on the coal, oil and gas policies of financial institutions.
- Public Bank Climate Tracker Matrix provides information about the extent to which development banks are aligned with Paris Agreement.
- The Carbon Bombs map provides transparent data and visualisation about the world's biggest fossil fuel extraction projects, and their links with companies and banks.

3. [Defending the Danger Line](#)

- *Roger Cox and Mieke Reij, Netherlands, March 2022*: This book explores key legal strategies in climate litigation, drawing on case studies to illustrate successful approaches.

4. [Research Handbook on Climate Litigation](#)

- *Francesca Sidico et al, 2024*: A comprehensive academic resource on climate litigation, covering evolving strategies, case law, and trends in climate-related legal actions globally.

5. [A4J Climate Litigation Guide](#)

- *Hannah Blitzer, Joshua Jackson, and Richard Lord QC, United Kingdom, 2020*: This guide provides practical steps for initiating climate litigation, with advice on legal strategies, evidence gathering, and case preparation.

6. [Climate Litigation Resources](#)

- *Center for International Environmental Law*: A valuable repository of resources, including case studies, guides, and strategic tools to support climate litigation efforts.

7. [Leveraging UN Human Rights Treaty Bodies for Climate Campaigning](#)

- *Center for International Environmental Law, USA, January 2020*: This resource assists activists in using UN treaty bodies to advocate for climate justice, with specific strategies for advancing human rights in climate policy.

8. [Holding Your Government Accountable for Climate Change: A People's Guide](#)

- *Greenpeace Climate Justice and Liability Campaign, Netherlands, 2018*: A citizen-focused guide for pushing government accountability on climate policies, offering advocacy and litigation tools for grassroots efforts.

9. [Climate Litigation Primer](#)

- *Environmental Law Alliance Worldwide, USA, January 2018*: This primer offers an introductory overview of climate litigation tactics, suitable for legal practitioners and advocates new to this area.

DRAFT